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## MANDATORY UNCONDITIONAL CASH OFFER

By

**HONG LEONG FINANCE LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 196100003D)

for and on behalf of

**GOLDHILL TRUST PTE. LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 201815906H)

to acquire all the issued and paid-up ordinary shares in the capital of

**CHEW'S GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 201020806C)

other than those already owned, controlled or agreed to be acquired by Goldhill Trust Pte. Ltd. and parties acting or deemed to be acting in concert with it

## OFFER ANNOUNCEMENT

### 1. INTRODUCTION

#### 1.1 The Acquisition

Further to the announcement made by Goldhill Trust Pte. Ltd. (the "**Offeror**") on 22 August 2018 ("**Pre-Conditional Offer Announcement Date**"), the joint clarification announcement dated 24 August 2018 by the Offeror and the Company (as defined below), and the Offeror's updated announcement dated 21 September 2018 (collectively, the "**Pre-Conditional Offer Announcements**"), Hong Leong Finance Limited ("**Hong Leong Finance**") wishes to announce, for and on behalf of the Offeror, that the Offeror has on 8 October 2018 completed the purchase from Fenghe Investment Holding Pte. Ltd. ("**Fenghe**") of 57,580,341 ordinary shares ("**Sale Shares**") in the capital of Chew's Group Limited (the "**Company**"), representing approximately 68.14 per cent. of the issued and paid-up share capital of the Company, at S\$0.2107 each Sale Share, pursuant to the conditional sale and purchase agreement ("**SPA**") dated 22 August 2018 (as supplemented by supplemental agreement dated 31 August 2018 and second supplemental agreement dated 8 October 2018) entered into by the Offeror and the Vendor ("**Completion**").

*All capitalised terms used and not defined herein shall have the same meanings given to them in the Pre-Conditional Offer Announcements, unless otherwise expressly stated or the context otherwise requires.*

#### 1.2 Mandatory Unconditional Cash Offer

As a result of Completion, Hong Leong Finance wishes to announce, for and behalf of the Offeror that, the Offeror intends to make a mandatory unconditional cash offer (the "**Offer**") in accordance with Rule 14.1(a) of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the ordinary shares of the Company ("**Shares**"), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror (the "**Offer Shares**").

## 2. THE OFFER

- 2.1 In accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14.1(a) of the Code, subject to the terms and conditions to be set out in the offer document to be issued by Hong Leong Finance for and on behalf of the Offeror (the "**Offer Document**"), the Offer will be made by the Offeror on the following basis:

**For each Offer Share: S\$0.2107 in cash (the "Offer Price")**

**The Offer Price is final and the Offeror does not intend to revise the Offer Price.**

- 2.2 As at the date of this Announcement (the "**Announcement Date**"), based on the latest information provided by the Company, the Company has 84,498,000 Shares in issue, with no options or awards that are outstanding under its employee share option scheme and performance share plan.
- 2.3 The Offer Shares will be acquired (i) fully paid-up, (ii) free from all liens, equities, claims, charges, pledges, mortgages, encumbrances, options, powers of sale, declarations of trust, hypothecations, retentions of title, rights of pre-emption, rights of first refusal, moratorium and any other third party rights or interests of any nature whatsoever or any agreements, arrangements or obligations to create any of the foregoing and (iii) save for the Proposed Dividend, together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions and/or return of capital (if any) (the "**Distribution**") declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date.
- 2.4 On 26 September 2018, the Company announced the notice of books closure date and dividend payment for the interim dividend of S\$0.10 per Share for the financial year ended 30 September 2018 (the "**Proposed Dividend**"). Save for the Proposed Dividend, if any Distribution is announced, declared, paid or made on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such Distribution.
- 2.5 The Offer will be unconditional in all respects.
- 2.6 **Duration of the Offer.** Pursuant to Rule 22.3 of the Code, except insofar as the Offer is withdrawn with the consent of the Securities Industry Council of Singapore ("**SIC**") and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days after the date of posting of the Offer Document.

## 3. INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in Singapore on 10 May 2018. The Offeror is a special purpose vehicle for the purpose of making the Offer. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$2.00 comprising two ordinary shares. The shareholders of the Offeror are Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos, each of whom holds one ordinary share in the capital of the Offeror. Mr. Tan Pei Hong Alex and Mr. Tan Theng Hong, Amos are also the Directors of the Offeror.

## 4. INFORMATION ON THE COMPANY

- 4.1 **The Company.** Based on publicly available information, the Company was incorporated on 30 September 2010 and listed on the Catalist board of the SGX-ST. The Company is an investment holding company and its 90 per cent. owned subsidiary, Chew's Food International Limited ("**CFIL**") (collectively, the "**Group**"), is in the trading business including but not limited to the trading of eggs (the "**Business**"). As at the Announcement Date, the Company has:

- (i) 84,498,000 Shares in issue and no Shares held in treasury;

- (ii) no outstanding options under its employee share option scheme; and
- (iii) no awards granted under its performance share plan.

4.2 **Directors.** The directors of the Company as at the Announcement Date are:

- (i) Mr. Chew Chee Bin (Executive Chairman);
- (ii) Mr. Chew Eng Hoe (Managing Director and Chief Executive Officer);
- (iii) Mr. Chew Chee Keong (Non-Executive Director);
- (iv) Mr. Yuen Sou Wai (Lead Independent Director and Chairman of the Audit Committee);
- (v) Mr. Chong Chin Fan (Independent Director and Chairman of the Remuneration Committee);  
and
- (vi) Dr. Choo Boon Seng (Independent Director and Chairman of the Nominating Committee).

4.3 **Resignation of Directors.** Pursuant to the terms of the SPA, all the directors of the Company (the "**Directors**" and each, a "**Director**") shall resign from the board of directors of the Company (the "**Board**") upon the close of the Offer.

## 5. OTHER ARRANGEMENTS

5.1 **Payment to Mr. Chew Chee Bin.** As stated in **Section 4.3** of this Announcement, the Directors shall resign from the Board as soon as practicable following the close of the Offer. Upon Mr. Chew Chee Bin's resignation, the Company intends to make a payment in lieu of six (6) months' notice to him, in accordance with Clauses 2 and 7.1 of his existing service contract with the Company dated 28 February 2017 ("**Service Contract**"). Mr. Chew Chee Bin will also be entitled to a pro-rata annual wage supplement in accordance with Clause 4.2 of his Service Contract.

The SIC has, on 1 October 2018, confirmed that the payment in lieu of six (6) months' notice and pro-rata annual wage supplement to Mr. Chew Chee Bin upon his resignation from the Board will not constitute a special deal under Rule 10 of the Code.

## 6. RATIONALE FOR THE OFFER

The Offer is made by the Offeror to comply with Rule 14.1 of the Code because following completion of the Acquisition, the Offeror and parties acting in concert with it will have acquired Shares which represent in excess of 30 per cent. of the voting rights of the Company.

## 7. THE OFFEROR'S INTENTIONS FOR THE COMPANY

Following the completion of the Acquisition and the close of the Offer, the Offeror intends to undertake a review of the business of the Group with a view to strengthening the Group's financial position and identifying areas in which potential may be optimised or strategic direction and operations of the Group can be enhanced. This includes, amongst others, seeking Shareholders' approval for the Group to diversify its business.

Depending on the outcome of such review, the Offeror may make changes to the operations and business of the Group. Accordingly, the Offeror retains the flexibility at any time to consider any options with respect to making any major changes to the business of the Group (including any redeployment of the fixed assets of the Group) and with respect to the continued employment of the employees of the Group, in addition to any changes which may be made in the ordinary course of business.

## 8. LISTING STATUS

8.1 **Free Float Requirement.** Pursuant to Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), the Company must ensure that at least 10 per cent. of the total

number of Shares (excluding treasury shares) is at all times held by the public (the “**Free Float Requirement**”). Pursuant to Rule 1104 of the Catalist Rules, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public. Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.

In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not complied with, the Company must, as soon as possible, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

- 8.2 **Intention of the Offeror. It is the intention of the Offeror to retain the listing of the Company on the Catalist board of the SGX-ST.** In the event that the Company does not meet the Free Float Requirement at the close of the Offer and the SGX-ST suspends trading in the Shares, the Offeror intends to work together with the Company and take such steps which are necessary to restore the free float of the Company in order to maintain the listing status of the Company. However, the Offeror reserves the right to re-evaluate its position, taking into account, amongst other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the public float of the Company is less than 10 per cent..

## 9. **COMPULSORY ACQUISITION**

- 9.1 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), if the Offeror receives valid acceptances pursuant to the Offer or acquires Shares from the date of the despatch of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all Shares held by Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer.
- 9.2 As stated above, it is the current intention of the Offeror to maintain the listing status of the Company on the Catalist board of the SGX-ST. **Accordingly, the Offeror does not intend to exercise any right of compulsory acquisition under Section 215(1) of the Companies Act in the event that it receives acceptances pursuant to the Offer representing 90 per cent. or more of the Offer Shares.** However, as set out in Paragraph 8.2 above, the Offeror reserves the right to re-evaluate its position, taking into account, amongst other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.
- 9.3 In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued Shares, the Dissenting Shareholders have the right to require the Offeror to acquire their Shares at the Offer Price.

## 10. **FINANCIAL EVALUATION OF THE OFFER**

The Offer Price of S\$0.2107 represents the following discount over the historical traded prices of the Shares:

	Benchmark Price (S\$) <sup>(1)(2)</sup>	Discount over Benchmark Price (%) <sup>(3)</sup>
Last traded price <sup>(4)</sup> per Share as quoted on the SGX-ST as at 5 October 2018 (being the last market day prior to the Announcement Date (" <b>Last Trading Date</b> "))	0.2150	2.00
Volume-weighted average price (" <b>VWAP</b> ") of the Shares for the one-month period up to and including the Last Trading Date	0.2849	26.04
VWAP of the Shares for the three-month period up to and including the Last Trading Date	0.2894	27.19
VWAP of the Shares for the six-month period up to and including the Last Trading Date	0.2964	28.91
VWAP of the Shares for the 12-month period up to and including the Last Trading Date	0.3966	46.87

**Notes:**

- (1) Based on data extracted from Bloomberg Finance L.P.
- (2) Computed based on the Share prices rounded to the nearest four decimal places.
- (3) Percentage figures are rounded to the nearest two decimal places.
- (4) Based on the last traded price per Share of S\$0.215 on 5 October 2018, being the last market day on which the Shares were traded prior to the Announcement Date.

**11. DISCLOSURE OF HOLDINGS AND DEALINGS**

- 11.1 **Holdings.** Save for the acquisition of the Sale Shares, none of the Offeror and persons acting in concert with the Offeror in connection with the Offer owns, controls or has agreed to acquire any (i) Shares, (ii) securities which carry voting rights in the Company or (iii) convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in the Company (collectively, the "**Relevant Securities**").
- 11.2 **Dealings.** Save for the acquisition of the Sale Shares, none of the Offeror and persons acting in concert with the Offeror in connection with the Offer has dealt for value in any Relevant Securities in the six months prior to the Announcement Date (the "**Relevant Period**").
- 11.3 **Irrevocable Undertakings.** As at Announcement Date, none of the Offeror and persons acting in concert with the Offeror in connection with the Offer has received any irrevocable undertakings from any party to accept or reject the Offer.
- 11.4 **Other Arrangements.** Save as disclosed in this Announcement, none of the Offeror and persons acting in concert with the Offeror in connection with the Offer has, in respect of any Relevant Securities:
- (i) entered into any arrangements (whether by way of option, indemnity or otherwise) in relation to the Relevant Securities of the Offeror or the Company which might be material to the Offer;
  - (ii) granted a security interest in relation to the Relevant Securities to another person, whether through a charge, pledge or otherwise;
  - (iii) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or
  - (iv) lent any Relevant Securities to another person.

- 11.5 **Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries prior to this Announcement in respect of certain other parties who are or may be deemed to be acting in concert with the Offeror in connection with the Offer pursuant to the Code. Further enquiries will be made of such persons subsequent to this Announcement and the relevant disclosures will be made in due course and in the Offer Document.

## 12. CONFIRMATION OF FINANCIAL RESOURCES

Hong Leong Finance, as the sole financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by Shareholders on the basis of the Offer Price.

## 13. OFFER DOCUMENT

The Offer Document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance will be despatched to holders of Offer Shares not earlier than 14 days and not later than 21 days from the Announcement Date.

## 14. OVERSEAS SHAREHOLDERS

- 14.1 This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer, if made, will be made solely by the Offer Document and the form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom the Offer Document and relevant forms of acceptance may not be sent.**
- 14.2 The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions in which this announcement is released, published or distributed should inform themselves about and observe such restrictions.
- 14.3 Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.
- 14.4 The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.
- 14.5 The ability of the Shareholders who are not resident in Singapore ("**Overseas Shareholders**") to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

## 15. RESPONSIBILITY STATEMENT

The directors of the Offeror (who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this

Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to the Company), the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement in its proper form and context.

Issued by  
**Hong Leong Finance Limited**

For and on behalf of  
**Goldhill Trust Pte. Ltd.**

8 October 2018  
Singapore

*Any enquiries relating to this Announcement or the Offeror should be directed during office hours to Mr Tang Yeng Yuen of Hong Leong Finance Limited at telephone number +65 6415 9886.*

#### **Forward-looking statements**

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. The Company's Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Company, the Offeror and Hong Leong Finance undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or other regulatory or supervisory body or agency.