

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

CHEW'S GROUP LIMITED'S FARM TO MOVE TO NEW SITE – UPDATE

The Board of Directors (the “**Board**”) of Chew’s Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements dated 9 May 2016 and 27 May 2016 in respect of the New Farm (the “**Announcements**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as ascribed to them in the Announcements.

Further to the Announcements, the Board would like to inform Shareholders that the Group broke ground for Phase 1 of the development of the New Farm on the New Site on 19 December 2017. Phase 1 of the New Farm includes the construction of up to 12 layer houses on the New Site. The construction of the first layer house is expected to be completed by the end of 2018 and Phase 1 is scheduled to be completed by the end of 2019. In the meantime, before the completion of Phase 1, the Company will concurrently operate both the existing farm at the Premises and the New Farm. The full relocation of the existing farm to the New Site is expected to take place when Phase 1 is completed.

Following the completion of Phase 1 of the New Farm, the Group targets to attain a daily production of approximately 580,000 eggs per day, with ample capacity for expansion to meet future market demand.

The capital expenditure (excluding the Alienation Premium) (the “**Capex**”) required to build and equip the New Farm is currently estimated to be approximately S\$40 million, which is lower than the initial estimate of S\$77 million as stated in the announcement dated 27 May 2016 (the “**27 May Announcement**”). The reduced Capex is mainly due to the reduction in the number of layer houses to be built than was intended originally and a cheaper source of supply for the construction materials. As a result of the reduction in the number of layer houses, the production capacity of the New Farm to produce 1,000,000 eggs per day as stated in the 27 May Announcement will decrease to approximately 580,000 eggs per day.

The Group intends to finance the Capex through the Group’s internal funds and by borrowings and/or external funding. The Company wishes to highlight that the Group would have been able to finance the entire Capex through the Group’s internal funds but the Group intends to maintain some cash reserves for future development of the Group.

The Company will make further announcement(s) to keep the Shareholders updated on any material development in respect of the abovementioned matter, as and when appropriate.

BY ORDER OF THE BOARD

Chew Eng Hoe
Managing Director

26 January 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).