



Rising to a
New Beginning

Annual Report 2018

This annual report 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 Catalyst. The Sponsor has not verified the contents of this annual report.

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

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 Email: sponsorship@ppcf.com.sg)

Corporate Profile	01	Financial Review	13
CEO's Statement	02	Corporate Governance Report	17
Corporate Structure	05	Financial Contents	56
Board of Directors	06	Statistics of Shareholdings	123
Executive Officers	09	Notice of Annual General Meeting	125
Corporate Information	11	Appendix	131
Financial Highlights	12	Proxy Form	



CORPORATE PROFILE

Chew's Group Limited (the "**Company**") was incorporated on 30 September 2010 and was listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 28 February 2011.

Prior to 20 April 2018, the Group specialised in the production of a range of healthy and nutritious, generic and designer eggs under the Group's brand name, "Chews" through its main operating subsidiary in Singapore, Chew's Agriculture Pte Ltd. During the year, the Company disposed the entire issued and paid-up share capital of its four wholly-owned subsidiaries in Singapore, namely, Chew's Agriculture Pte Ltd, Chew's Engineering Services Pte Ltd, Chew's Group Investment Pte Ltd and Chew's Group Marketing Pte Ltd (the "**Disposal**"). As a result of the Disposal, the Group ceased its farming activities as of 20 April 2018.

On 8 October 2018, Goldhill Trust Pte Ltd ("**Goldhill Trust**"), acquired 57,580,341 shares or 68.14% of the Company's shares and became the controlling shareholder of the Company.

On 23 October 2018, through Hong Leong Finance Limited, Goldhill Trust made a mandatory unconditional cash offer to the shareholders of the Company to acquire the remaining issued and paid-up ordinary shares in the capital of the Company. At the close of offer on 20 November 2018, Goldhill Trust announced that it owned 78,928,572 shares or 93.41% of the total number of issued shares of the Company. Goldhill Trust is an investment holding company owned by Mr. Tan Pei Hong, Alex (Chen Peifeng) ("**Alex Tan**") and his brother Mr. Tan Theng Hong, Amos, each owning 50% of the issued share capital of Goldhill Trust. Mr. Alex Tan is the Chief Executive Officer and Executive Director of the Company.

At present, the Group continues to hold its only remaining subsidiary in Hong Kong which is engaged in the business of trading of generic and designer eggs and other food products.

On 9 January 2019, the Group with its team of new directors and management, despatched a circular (the "**Circular**") to seek shareholders' approval at an extraordinary general meeting to be convened for, amongst others, the proposed change of the Company's name to OneApex Limited (Chinese name "亿高有限公司") and a diversification of its business to Property Investment, Property Management, Property Development and Financial Investments Services (as defined in the Circular). Further details on the aforementioned can be found in the Circular. The Group will continue to update shareholders as and when appropriate on the aforesaid proposed changes to the Company.





MR. CHIU JOON SUN
(ZHAO JUNSHENG)



MR. TAN PEI HONG, ALEX
(CHEN PEIFENG)

CEO's STATEMENT

DEAR SHAREHOLDERS

On 20 April 2018, the Company announced the completion of the Disposal. The Disposal was considered and accounted for as non-current assets held for sale and discontinued operations with effect from 8 March 2018, being the date of the sale and purchase agreement for the Disposal.

Following the sale of the four subsidiaries, the Group continues to hold its only remaining subsidiary, Chew's Food International Limited. The core business of Chew's Food International Limited is in the trading of generic and designer eggs and other food products in Hong Kong.

Notwithstanding, the Group has identified the following businesses that the Group can diversify into:-

- Property Investments;
- Property Management;
- Property Development; and
- Financial Investments Services

(Property Investments, Property Management and Property Development will be referred to as the "**Property Business**") (the "**Proposed Business Diversification**").

Property Investments

This will include investments into commercial and residential properties. For commercial properties, the Group's focus will be on offices and shop houses, hotels, hostels and food and beverage ("**F&B**") outlets. Residential properties will include service apartments. The objective is to have recurring income from rental fees and also for capital growth potential.

Property Management

The property management services will not only be concentrated on hotels, hostels and F&B outlets but will include shop houses and/or office management. This will enable the Group to charge fees for the provision of property-management related services and facilities.

Property Development

The property development activities will include acquisition, development and/or sale of commercial and residential properties and hotels. As property development requires high capital investment, the Group intends to collaborate with third-parties through joint ventures and/or strategic alliances on the projects undertaken to lower the risk exposure of the Group.

At the initial stage, the Group will place its focus on its Property Business in Singapore. This is to leverage on the vast experience and wide network of the Board and management team when seeking out profitable business opportunities. It is the intention of the Group to subsequently venture overseas as and when suitable opportunities arise.

CEO's STATEMENT

Financial Investments Services

The Group intends to offer Financial Investments Services which include fund management, wealth management and family office advisory services. The services will be operated either via a new vehicle to be incorporated for the purpose of risk management and will apply for the necessary licences from the Monetary Authority of Singapore to conduct fund management activities or through the acquisition of a company that possesses such licences. The latter would be expected to expedite the Group in achieving revenue.

The setting up of the Financial Investments Services division will complement the Group's Property Business through the leveraging of access to additional avenues of capital from clients seeking investment opportunities.

Going forward, the Board of Directors are also proposing to change the Company's name to OneApex Limited (Chinese name “亿高有限公司”) (“**Proposed Change of Name**”) to better reflect the diversification of the Group's business into the Property Business and the Financial Investments Services Business.

The Group will be seeking the approval of shareholders at an extraordinary general meeting to be convened for, *inter alia*, the Proposed Business Diversification and the Proposed Change of Name, the details of which are contained in the Circular, which was despatched to shareholders on 9 January 2019.

LOOKING AHEAD

The Proposed Business Diversification is an opportunity for the Group to expand its current core business to provide the Group with new revenue streams and improved growth prospects. The Property Business and Financial Investments Services Business will also be expected to boost the long-term financial performance and position of the Group, enhancing shareholders' value in the long-term. Under the leadership of Mr. Chiu Joon Sun (Zhao Junsheng), who has 13 years of working and client relationship experience in the banking and finance industry, the Financial Investments Services Business is expected to have a ready pool of customers which will provide recurring revenue to the Group.

APPRECIATION

On behalf of the Board, I would like to extend my appreciation and gratitude to all shareholders, customers, suppliers, business associates and bankers for their unwavering support to Chew's Group Limited. My appreciation also goes to my fellow directors who are newly appointed to the board. I look forward to their valuable counsel and guidance as OneApex Limited⁽¹⁾ charts its journey ahead

TAN PEI HONG, ALEX (CHEN PEIFENG)

Chief Executive Officer and Executive Director

⁽¹⁾ The Proposed Change of Name is subject to shareholders' approval at the extraordinary general meeting to be convened.

CORPORATE STRUCTURE

CHEW'S GROUP LIMITED



**CHEW'S FOOD
INTERNATIONAL
LIMITED**

90%
(HONG KONG)

BOARD OF DIRECTORS



MR. ZACHARY TAN LIAN CHYE, 55, is our Non-Executive Non-Independent Chairman and was appointed to the Board on 20 November 2018. He is also a member of our Risk Committee.

Mr. Tan has more than 30 years of experience in the real estate industry with a specialised focus on property development, construction and project management. He is currently the Project Director of Micro Project Management LLP, a firm that offers consulting and project planning services in the area of property development in Singapore. Mr. Tan has extensive knowledge in the real estate industry, in particular, the start-to-end process of land acquisition, building development and maintenance. Mr. Tan held the position of Project Director in Fission Development Pte. Ltd. from 2007 to 2013.

Mr. Tan holds a Bachelor of Business Administration in Project Management from the Ashwood University and Diplomas in Construction Law from the Irish International University and ITC School of Law, Singapore.



MR. TAN PEI HONG, ALEX (CHEN PEIFENG), 32, is the Executive Director and Chief Executive Officer of the Company and was appointed to the Board on 20 November 2018. He is also the Chairman of the Risk Committee and a member of our Nominating Committee. He is responsible for the overall management, operations, strategic planning and business expansion of the Group and oversees the day-to-day operations for the Group.

Mr. Alex Tan was the General Manager of Yi Kai Development Pte Ltd ("**Yi Kai**"), a business owned by his family. Yi Kai has been established in Singapore since 1985 and is engaged in providing real estate development services, specialising in both commercial and residential property developments in Singapore. Through his family business, he has gained in-depth knowledge and built a vast network in the property market in Singapore. Prior to this appointment, Mr. Alex Tan was the Chief Operation Officer of Prime Asia Asset Management Pte. Ltd., a Registered Fund Management Company approved by the Monetary Authority of Singapore, where he set up the wealth management department. Mr. Alex Tan has also held several positions with international hotel chains which include The Pan Pacific Hotels Group, The St. Regis Singapore and Raffles Hotel, Beijing, where he was exposed to both operational and management roles of the hospitality industry during the initial years of his career.

Mr. Alex Tan holds a Bachelor of Business Administration in Hospitality Management from the Glion Institute of Higher Education in Switzerland and a Diploma in Information Technology from the Republic Polytechnic of Singapore.



MR. CHIU JOON SUN (ZHAO JUNSHENG), 39, is an Executive Director of the Company and was appointed to the Board on 29 December 2018. He is also a member of our Nominating Committee and Risk Committee. He is responsible for the overall management, operations, strategic planning and business expansion of the Group and will head the Financial Investments Services division of the Group.

Prior to joining the Group, Mr. Chiu held a number of senior financial positions in major financial institutions including Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited, UBS Group AG and Nomura Singapore Limited. Over the past 13 years, he has accumulated extensive knowledge and experience in the Singapore financial markets covering diverse activities such as banking, capital markets, corporate finance, securities brokerage and investment portfolio management for the ultra-high net-worth individuals.

Mr. Chiu holds a Bachelor of Engineering (Mechanical and Production Engineering) from the Nanyang Technological University of Singapore.



MR. CHEE TECK KWONG PATRICK, PBM, 64, is the Lead Independent Director of the Company and was appointed to the Board on 20 November 2018. Mr. Chee currently chairs the Remuneration Committee and is a member of our Audit Committee, Nominating Committee and Risk Committee.

Mr. Chee holds a Bachelor of Law (Hons) from the National University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the Senior Courts of England and Wales. He has been in private legal practice since 1980. He is now a Senior Legal Consultant with Withers KhattarWong LLP, an international law firm. His areas of practice are corporate and commercial matters, banking and finance, cross-border joint ventures and investments, mergers and acquisitions and listing of companies. He has advised on property law and has handled several landmark development projects in Singapore, Indonesia, Malaysia and China. He also conducts civil litigation and arbitration proceedings. He had initiated and was instrumental to the setting up of a full licensed KhattarWong's law practice in Vietnam.

Mr. Chee is a Notary Public and a Commissioner for Oaths. He is a member of the Singapore Institute of Arbitrators and the Singapore Institute of Directors. He had served several years in the sub-committee of the National Crime Prevention Council and worked with the National Productivity Board in developing and seeing the successful launch of some well-known franchises in Singapore in the early 1990s. From 2002 to 2013, Mr. Chee was the Organising Chairman of the "National Street Soccer League – Lee Hsien Loong Challenge Trophy".

Mr. Chee is currently an Independent Director of China International Holdings Limited and Hai Leck Holdings Limited, both listed on the Main Board of the SGX-ST and MeGroup Ltd., a company listed on the Catalist of the SGX-ST.

He is also the Honorary Legal Advisor to Hospitality Purchasing Association Singapore, several big clans and trade associations in Singapore. Mr. Chee is the recipient of the National Day Awards 2003 – "The Public Service Medal (Pingat Bakti Masyarakat)" from the President of the Republic of Singapore.

BOARD OF DIRECTORS



MR. WAN TAI FOONG, 50, is an Independent Director of the Company and was appointed to the Board on 20 November 2018. Mr. Wan currently chairs the Audit Committee and is a member of our Nominating Committee, Remuneration Committee and Risk Committee.

Mr. Wan is currently the Chief Executive Officer of Qi Capital Pte. Ltd., a boutique advisory firm that advises private corporates on mergers and acquisitions and fundraising transactions. Mr. Wan has more than 20 years of experience in investment banking, with varied and in-depth exposure and experience to all aspects of mergers and acquisitions, restructuring and fund-raising transactions in different sectors. To date, Mr. Wan has advised on over USD 3 billion of mergers and acquisitions transactions. Prior to setting up Qi Capital, Mr. Wan held a number of senior positions in major financial institutions including Rabobank Singapore Branch, KBC Bank (Singapore) Limited, Kim Eng Corporate Finance Pte. Ltd. and N M Rothschild & Sons (Singapore) Limited. Mr. Wan started his career with Arthur Andersen Singapore.

Mr. Wan was an Independent Director of Accrelist Ltd., a company listed on the Catalist of the SGX-ST.

Mr. Wan holds a Bachelor of Commerce from Murdoch University and has been a member of the Certified Public Accountant Australia since 2010.



MR. LOW CHIN PARN ERIC, 57, is an Independent Director of the Company and was appointed to the Board on 20 November 2018. Mr. Low currently chairs the Nominating Committee and is a member of our Audit Committee, Remuneration Committee and Risk Committee. Mr. Low is currently an Independent Director of China Gaoxian Fibre Fabric Holdings Ltd., a company listed on the Main Board of the SGX-ST.

Mr. Low has more than 20 years of experience in the finance and banking industry where he was previously the Vice President of Product and Advisory in CIMB Securities (Singapore) Pte. Ltd.

He began his career at ANZ Bank as a regional treasury analyst before joining the fixed income sales and trading desk of a Japanese brokerage house. Following his role as the Head of Fixed Income Sales and Trading, he worked in various business development roles in DBS Asset Management, Standard Chartered Bank and OCBC Asset Management, where he led the expansion of distribution channels before moving to the insurance industry based in Singapore and Hong Kong.

Prior to working in CIMB Securities, he worked at OCBC Bank where he held Consumer Banking roles including Head of Wealth Management OCBC China based in Shanghai, Head of Treasury Product and OCBC Private Bank Investment Advisory, where he has extensive experience in product development and management, marketing and investment banking.

Mr. Low holds a Master of Business Administration from Washington State University in the United States of America.

EXECUTIVE OFFICERS



MS. TAY BEE GEK DORRIZ, 48, is our Chief Financial Officer who joined our Group in August 2010. She is also the Joint Company Secretary and was appointed as the Chief Risk Officer of the Company in November 2012. She has more than 25 years of experience in the financial and accounting sector. She is responsible for all financial and management reporting, taxation, regulatory compliance and corporate secretarial matters of our Group and oversees the human resource and information technology functions of our Company. Prior to joining our Group, Dorriz held top finance positions in Woleco Hotel Supplies Pte Ltd, Sei Woo Polymer Technologies Pte Ltd and Ezyhealth Asia Pacific Limited (a SGX-listed company now known as Wilmar International Limited). She was also a financial analyst manager with Citibank NA and a payrollserve manager with Stone Forest Consulting Pte Ltd.

Dorriz holds a Bachelor of Accountancy from the Nanyang Technological University. She also holds a Diploma in Investment from The Institute of Banking and Finance and is a member of the Institute of Singapore Chartered Accountants.



MR. CHEW ENG HOE, 53, is the Managing Director of the Company and is currently responsible for the overall operations of Chew's Food International Limited, Hong Kong. Mr. Chew has more than 30 years of experience in the poultry industry. He was responsible for the Group's overall operations and management and was instrumental to the growth and development of the Group during 1987 to 2018. He started work as a project manager at Chew's Agriculture Pte. Ltd. ("**CAPL**") in 1987 and assisted in the setting up of the layer farm. CAPL was a subsidiary of the Group which was disposed of on 20 April 2018. In 1989, Mr. Chew was appointed as a director of CAPL and became its Managing Director in 2002, a position which he held till 20 April 2018.

Mr. Chew was our Director for the period from 30 September 2010 to 20 November 2018.



CORPORATE INFORMATION

BOARD OF DIRECTORS:

Zachary Tan Lian Chye
(Non-Executive Non-Independent Chairman)
Tan Pei Hong, Alex (Chen Peifeng)
(Executive Director and Chief Executive Officer)
Chiu Joon Sun (Zhao Junsheng)
(Executive Director)
Chee Teck Kwong Patrick
(Lead Independent Director)
Wan Tai Foong
(Independent Director)
Low Chin Parn Eric
(Independent Director)

AUDIT COMMITTEE:

Wan Tai Foong (Chairman)
Chee Teck Kwong Patrick
Low Chin Parn Eric

REMUNERATION COMMITTEE:

Chee Teck Kwong Patrick (Chairman)
Wan Tai Foong
Low Chin Parn Eric

NOMINATING COMMITTEE:

Low Chin Parn Eric (Chairman)
Chee Teck Kwong Patrick
Wan Tai Foong
Tan Pei Hong, Alex (Chen Peifeng)
Chiu Joon Sun (Zhao Junsheng)

RISK COMMITTEE:

Tan Pei Hong, Alex (Chen Peifeng) (Chairman)
Zachary Tan Lian Chye
Chiu Joon Sun (Zhao Junsheng)
Chee Teck Kwong Patrick
Wan Tai Foong
Low Chin Parn Eric

COMPANY SECRETARY:

Tay Bee Gek, Dorriz
Janet Tan

REGISTERED ADDRESS:

80 Raffles Place
#32-01 UOB Plaza 1
Singapore 048624
Tel : 65 6225 2626
Fax : 65 6225 1838

PRINCIPAL PLACE OF BUSINESS:

38 Jalan Pemimpin
#06-06 Singapore 577178

COMPANY REGISTRATION NO:

201020806C

AUDITORS:

Deloitte & Touche LLP
6 Shenton Way OUE Downtown 2
#33-00 Singapore 068809
Partner-in-charge: Mr. Cheung Pui Yuen
(Appointed with effect from financial year ended
September 30, 2018)

SPONSOR:

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

SHARE REGISTRAR:

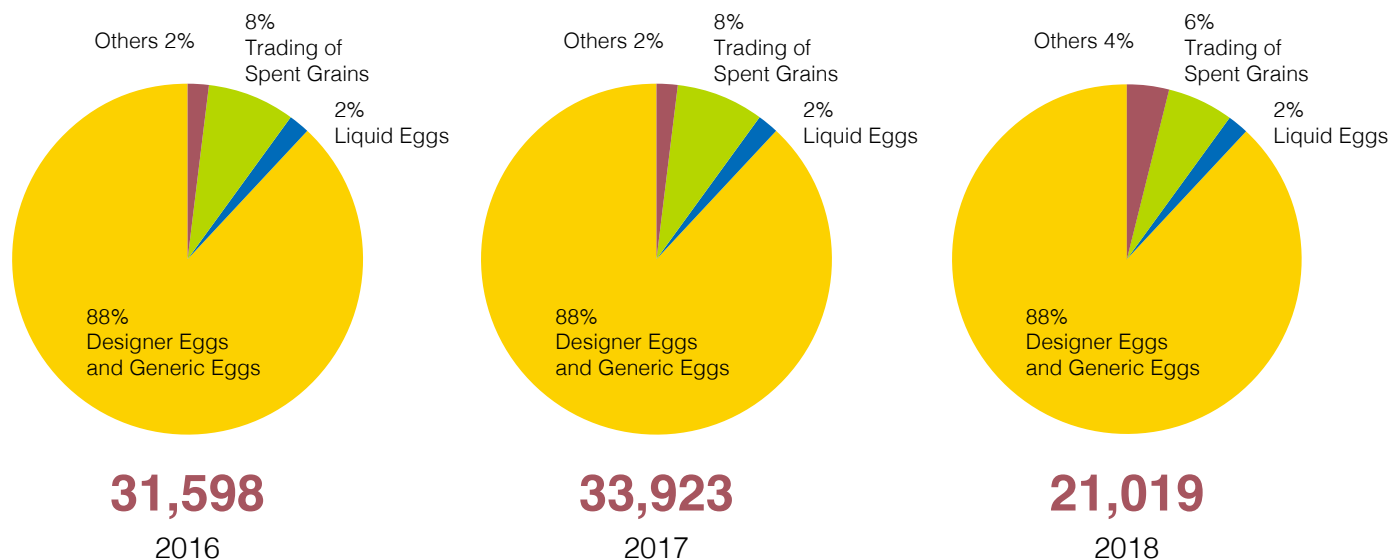
Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898

BANKERS:

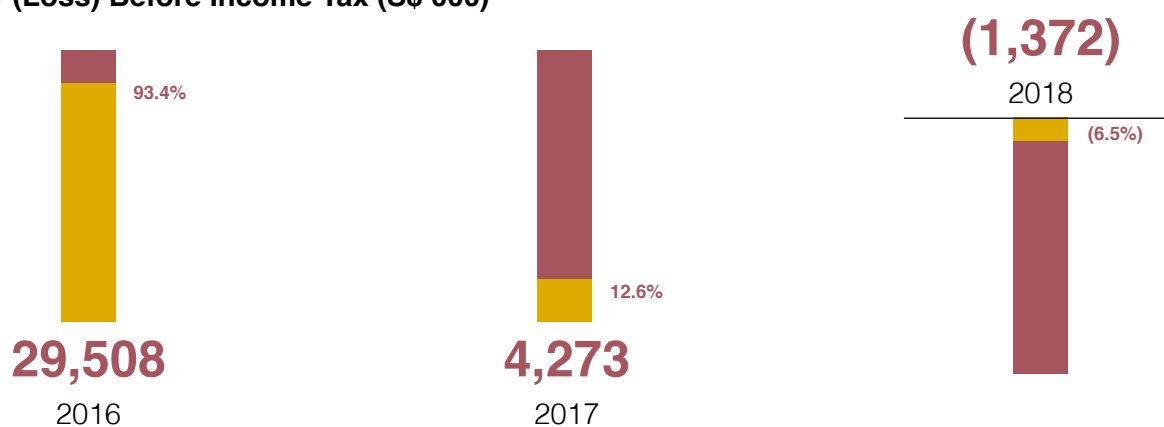
Standard Chartered Bank
United Overseas Bank Limited
Development Bank of Singapore

FINANCIAL HIGHLIGHTS

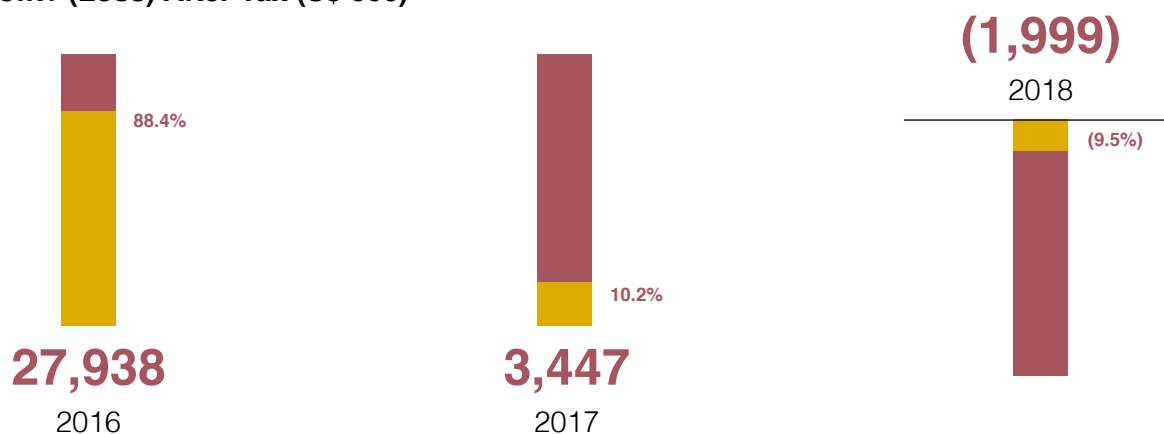
Total Revenue (Continuing and Discontinued Operations) (S\$'000)



Profit / (Loss) Before Income Tax (S\$'000)



Net Profit / (Loss) After Tax (S\$'000)



FINANCIAL REVIEW

With the completion of the Disposal on 20 April 2018, the comparative statement of profit or loss and other comprehensive income for the financial year ended 30 September 2017 (“**FY2017**”) is re-presented as if the operations had been discontinued from the start of FY2017.

REVIEW OF THE FINANCIAL PERFORMANCE OF THE GROUP

With the sale of the four wholly-owned subsidiaries, the Group's continuing business activities consist of the operations of the Company and its subsidiary in Hong Kong.

Continuing Operations:

For the financial year ended 30 September 2018 (“**FY2018**”), the Group recorded revenue of approximately \$3.3 million which is an increase of 25% as compared to \$2.6 million in FY2017. This is largely due to the increase in the sales of eggs by \$0.4 million and increase in trading revenue of \$0.2 million. The Group had increased the range of products traded such as dried rice noodles, fishball and food pastes in Hong Kong.

Other income of the Group (comprised mainly interest income derived from bank balances in Singapore) increased by \$90,000 from \$21,000 in FY2017 to \$111,000 in FY2018. The proceeds from the Disposal were placed with a bank.

The Group's changes in inventories increased by approximately \$25,000. This is mainly to support the wider range of products traded in Hong Kong.

Purchase of materials increased by \$1.1 million from \$0.4 million in FY2017 to \$1.5 million in FY2018. The increase is attributable to the following:-

- (i) purchases of materials of \$1.3 million in FY2017 as compared to \$0.8 million in FY2018 (for the period from 1 October 2017 to 20 April 2018) from the discontinued operations were excluded as these were eliminated with profit residing in discontinued operations; and
- (ii) increase in purchase of eggs of \$0.3 million and other trading products of \$0.2 million. This is in tandem with the increase in revenue.

Employee benefits were up by \$0.1 million, from \$1.2 million in FY2017 to \$1.3 million in FY2018 as the Group paid a one-off special bonus to its employees following the Disposal.

Depreciation and amortisation expense increased by \$35,000. Rental expense also went up by \$89,000 largely attributable to the shifting of the Hong Kong office cum warehouse to a larger space to support growth.

Other operating expenses increased by \$143,000 mainly due to one-time product listing fee for new products launched in Hong Kong, higher insurance charges, increase in professional fees and also increase in the employment of part-time promoters in Hong Kong to drive revenue.

Income tax expense, mainly from the Hong Kong subsidiary, decreased from \$46,000 in FY2017 to \$34,000 in FY2018.

Profit for the year from continuing operations decreased by \$0.7 million, from a profit of \$0.1 million in FY2017 to a loss of \$0.6 million in FY2018.



Discontinued operations:

Loss after tax from discontinued operations amounted to approximately \$1.4 million in FY2018 as compared to a profit of \$3.3 million in FY2017, representing a decrease of \$4.7 million. The decrease is attributable to the following:-

- (i) loss on disposal of \$2.8 million recognised in FY2018 arose from the Disposal; and
- (ii) FY2018 included operating results for the period from 1 October 2017 to the date of completion of the Disposal, being 20 April 2018, whereas FY2017 included the full year results of the disposed subsidiaries.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP

The Group's total assets decreased by approximately \$43.4 million, from \$67.3 million as at 30 September 2017 to \$23.9 million as at 30 September 2018. The Group's current assets as at 30 September 2018 was \$23.7 million which accounted for 99.5% of the Group's total assets and represents a reduction of \$28.3 million from \$52.0 million as at 30 September 2017. The reduction is attributed largely to the following:-

- (i) payment of cash dividends of approximately \$30.0 million in FY2018; and
- (ii) decrease in current assets (excluding intercompany receivables) from the Disposal of \$7.0 million which was partially offset by the net cash proceeds of \$15.2 million, from \$15.3 million as at 30 September 2017 to \$0.1 million as at 30 September 2018.

The Group's total liabilities decreased by \$3.0 million, from \$12.6 million as at 30 September 2017 to \$9.6 million as at 30 September 2018. This is mainly due to reduction in liabilities owing to third parties of \$11.4 million attributable to the four disposed subsidiaries and partially offset by the dividends payable of \$8.4 million.

The Group maintained a positive working capital of approximately \$14.2 million as at 30 September 2018.



REVIEW OF THE STATEMENT OF CASH FLOWS FOR THE GROUP

The Group's cash and cash equivalents decreased by \$22.3 million, from \$44.9 million as at 30 September 2017 to \$22.6 million as at 30 September 2018.

The Group recorded net cash from operating activities of \$11.0 million in FY2018 which was a reduction of \$6.6 million as compared to \$17.6 million in FY2017. This is largely attributable to the Disposal during the year which resulted in a reduction of \$10.3 million and offset by the following:-

- (i) an improvement of working capital movement of \$1.7 million; and
- (ii) reduction in tax payment of \$1.9 million.

Net cash used in investing activities decreased by \$13.9 million, from \$17.0 million in FY2017 to \$3.1 million in FY2018. This was primarily due to the following:-

- (i) decrease in purchases of biological assets of \$7.7 million as the Group ceased to operate its farming business on 20 April 2018; and
- (ii) net cash inflow of \$6.5 million arising from the Disposal which was offset by the reduction in proceeds received from the disposal of biological assets of \$0.3 million.

Net cash used in financing activities amounted to \$30.2 million in FY2018 and \$1.0 million in FY2017. The increase of \$29.2 million is mainly due to the payment of special dividend of \$29.6 million in May 2018 and offset by the reduction in the repayment of bank loans and finance leases of \$0.3 million due to the Disposal.



CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors (the “**Board**”) of Chew’s Group Limited and together with its subsidiary (the “**Group**”) are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during FY2018, with specific reference made to the principles of the Code of Corporate Governance 2012 (the “**Code**”) and the disclosure guide developed by SGX-ST in January 2015 (the “**Guide**”).

Guideline	Code and/or Guide Description	Company’s Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2018.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																								
BOARD MATTERS																																										
The Board's Conduct of Affairs																																										
1.1	What is the role of the Board?	<p>In FY2018, the Board comprised of six (6) members as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Table 1.1 – Composition of the Board (FY2018)</th> </tr> <tr> <th>Name of Director</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Chew Chee Bin</td> <td>Executive Chairman</td> </tr> <tr> <td>Chew Eng Hoe</td> <td>Managing Director and Executive Director</td> </tr> <tr> <td>Yuen Sou Wai</td> <td>Lead Independent Director</td> </tr> <tr> <td>Chong Chin Fan</td> <td>Independent Director</td> </tr> <tr> <td>Choo Boon Seng</td> <td>Independent Director</td> </tr> <tr> <td>Chew Chee Keong</td> <td>Non-Executive Director</td> </tr> </tbody> </table> <p>On 20 November 2018, the above Directors resigned from the Board and the following persons have been appointed to the Board:</p> <table border="1"> <thead> <tr> <th colspan="3">Table 1.1 (A) – Composition of the Board (Current)</th> </tr> <tr> <th>Name of Director</th> <th>Designation</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td>Zachary Tan Lian Chye ("Zachary Tan")</td> <td>Non-Executive Non-Independent Chairman</td> <td>20 November 2018</td> </tr> <tr> <td>Tan Pei Hong, Alex (Chen Peifeng) ("Alex Tan")</td> <td>Executive Director and Chief Executive Officer ("CEO")</td> <td>20 November 2018</td> </tr> <tr> <td>Chee Teck Kwong Patrick ("Patrick Chee")</td> <td>Lead Independent Director</td> <td>20 November 2018</td> </tr> <tr> <td>Wan Tai Foong</td> <td>Independent Director</td> <td>20 November 2018</td> </tr> <tr> <td>Low Chin Parn Eric ("Eric Low")</td> <td>Independent Director</td> <td>20 November 2018</td> </tr> <tr> <td>Chiu Joon Sun (Zhao Junsheng) ("Lawrence Chiu")</td> <td>Executive Director</td> <td>29 December 2018</td> </tr> </tbody> </table> <p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board oversees the management of the Company (the "Management") and affairs of the Group's business and oversees processes for evaluating the adequacy and effectiveness of the Group's internal controls and risk management systems. It focuses on the strategies and policies, with particular attention paid to growth and financial performance. The Board works with the Management to achieve this and the Management remains accountable to the Board. Each individual Director has objectively discharged his duties and responsibilities at all times as fiduciaries in the interests of the Company.</p>	Table 1.1 – Composition of the Board (FY2018)		Name of Director	Designation	Chew Chee Bin	Executive Chairman	Chew Eng Hoe	Managing Director and Executive Director	Yuen Sou Wai	Lead Independent Director	Chong Chin Fan	Independent Director	Choo Boon Seng	Independent Director	Chew Chee Keong	Non-Executive Director	Table 1.1 (A) – Composition of the Board (Current)			Name of Director	Designation	Date of Appointment	Zachary Tan Lian Chye ("Zachary Tan")	Non-Executive Non-Independent Chairman	20 November 2018	Tan Pei Hong, Alex (Chen Peifeng) ("Alex Tan")	Executive Director and Chief Executive Officer ("CEO")	20 November 2018	Chee Teck Kwong Patrick ("Patrick Chee")	Lead Independent Director	20 November 2018	Wan Tai Foong	Independent Director	20 November 2018	Low Chin Parn Eric ("Eric Low")	Independent Director	20 November 2018	Chiu Joon Sun (Zhao Junsheng) ("Lawrence Chiu")	Executive Director	29 December 2018
Table 1.1 – Composition of the Board (FY2018)																																										
Name of Director	Designation																																									
Chew Chee Bin	Executive Chairman																																									
Chew Eng Hoe	Managing Director and Executive Director																																									
Yuen Sou Wai	Lead Independent Director																																									
Chong Chin Fan	Independent Director																																									
Choo Boon Seng	Independent Director																																									
Chew Chee Keong	Non-Executive Director																																									
Table 1.1 (A) – Composition of the Board (Current)																																										
Name of Director	Designation	Date of Appointment																																								
Zachary Tan Lian Chye ("Zachary Tan")	Non-Executive Non-Independent Chairman	20 November 2018																																								
Tan Pei Hong, Alex (Chen Peifeng) ("Alex Tan")	Executive Director and Chief Executive Officer ("CEO")	20 November 2018																																								
Chee Teck Kwong Patrick ("Patrick Chee")	Lead Independent Director	20 November 2018																																								
Wan Tai Foong	Independent Director	20 November 2018																																								
Low Chin Parn Eric ("Eric Low")	Independent Director	20 November 2018																																								
Chiu Joon Sun (Zhao Junsheng) ("Lawrence Chiu")	Executive Director	29 December 2018																																								

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																																																						
1.3	Has the Board delegated certain responsibilities to committees? If yes, please provide details.	<p>The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Remuneration Committee (the "RC"), the Nominating Committee (the "NC") and the Risk Committee (collectively, the "Board Committees"). The compositions of the Board Committees in FY2018 were as follows:</p> <p>Table 1.3 – Composition of the Board Committees (FY2018)</p> <table border="1"> <thead> <tr> <th></th> <th>AC¹</th> <th>NC²</th> <th>RC³</th> <th>Risk Committee</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Yuen Sou Wai</td> <td>Choo Boon Seng</td> <td>Chong Chin Fan</td> <td>Chew Chee Bin</td> </tr> <tr> <td>Member</td> <td>Chong Chin Fan</td> <td>Yuen Sou Wai</td> <td>Yuen Sou Wai</td> <td>Yuen Sou Wai</td> </tr> <tr> <td>Member</td> <td>Choo Boon Seng</td> <td>Chong Chin Fan</td> <td>Choo Boon Seng</td> <td>Chong Chin Fan</td> </tr> <tr> <td>Member</td> <td></td> <td>Chew Eng Hoe</td> <td>Chew Chee Keong</td> <td>Choo Boon Seng</td> </tr> <tr> <td>Member</td> <td></td> <td>Chew Chee Bin</td> <td></td> <td>Chew Eng Hoe</td> </tr> <tr> <td>Member</td> <td></td> <td></td> <td></td> <td>Chew Chee Keong</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) The AC comprised three (3) members, all of whom (including the Chairman) were independent.</p> <p>(2) The NC comprised five (5) members, the majority of whom (including the Chairman) were independent.</p> <p>(3) The RC comprised four (4) members, the majority of whom (including the Chairman) were independent.</p> <p>With the resignation of these Directors from the Board on 20 November 2018, the current compositions of the Board Committees are as follows:</p> <p>Table 1.3 (A) – Composition of the Board Committees (Current)</p> <table border="1"> <thead> <tr> <th></th> <th>AC¹</th> <th>NC²</th> <th>RC³</th> <th>Risk Committee</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Wan Tai Foong</td> <td>Eric Low</td> <td>Patrick Chee</td> <td>Alex Tan</td> </tr> <tr> <td>Member</td> <td>Patrick Chee</td> <td>Patrick Chee</td> <td>Wan Tai Foong</td> <td>Zachary Tan</td> </tr> <tr> <td>Member</td> <td>Eric Low</td> <td>Wan Tai Foong</td> <td>Eric Low</td> <td>Patrick Chee</td> </tr> <tr> <td>Member</td> <td></td> <td>Alex Tan</td> <td></td> <td>Wan Tai Foong</td> </tr> <tr> <td>Member</td> <td></td> <td>Lawrence Chiu</td> <td></td> <td>Eric Low</td> </tr> <tr> <td>Member</td> <td></td> <td></td> <td></td> <td>Lawrence Chiu</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) The AC comprises three (3) members, all of whom (including the Chairman) are independent.</p> <p>(2) The NC comprises five (5) members, the majority of whom (including the Chairman) are independent.</p> <p>(3) The RC comprises three (3) members, all of whom (including the Chairman) are independent.</p>		AC ¹	NC ²	RC ³	Risk Committee	Chairman	Yuen Sou Wai	Choo Boon Seng	Chong Chin Fan	Chew Chee Bin	Member	Chong Chin Fan	Yuen Sou Wai	Yuen Sou Wai	Yuen Sou Wai	Member	Choo Boon Seng	Chong Chin Fan	Choo Boon Seng	Chong Chin Fan	Member		Chew Eng Hoe	Chew Chee Keong	Choo Boon Seng	Member		Chew Chee Bin		Chew Eng Hoe	Member				Chew Chee Keong		AC ¹	NC ²	RC ³	Risk Committee	Chairman	Wan Tai Foong	Eric Low	Patrick Chee	Alex Tan	Member	Patrick Chee	Patrick Chee	Wan Tai Foong	Zachary Tan	Member	Eric Low	Wan Tai Foong	Eric Low	Patrick Chee	Member		Alex Tan		Wan Tai Foong	Member		Lawrence Chiu		Eric Low	Member				Lawrence Chiu
	AC ¹	NC ²	RC ³	Risk Committee																																																																				
Chairman	Yuen Sou Wai	Choo Boon Seng	Chong Chin Fan	Chew Chee Bin																																																																				
Member	Chong Chin Fan	Yuen Sou Wai	Yuen Sou Wai	Yuen Sou Wai																																																																				
Member	Choo Boon Seng	Chong Chin Fan	Choo Boon Seng	Chong Chin Fan																																																																				
Member		Chew Eng Hoe	Chew Chee Keong	Choo Boon Seng																																																																				
Member		Chew Chee Bin		Chew Eng Hoe																																																																				
Member				Chew Chee Keong																																																																				
	AC ¹	NC ²	RC ³	Risk Committee																																																																				
Chairman	Wan Tai Foong	Eric Low	Patrick Chee	Alex Tan																																																																				
Member	Patrick Chee	Patrick Chee	Wan Tai Foong	Zachary Tan																																																																				
Member	Eric Low	Wan Tai Foong	Eric Low	Patrick Chee																																																																				
Member		Alex Tan		Wan Tai Foong																																																																				
Member		Lawrence Chiu		Eric Low																																																																				
Member				Lawrence Chiu																																																																				

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																																		
1.4	Have the Board and Board Committees met in the last financial year?	<p>The Board meets on a half-yearly basis, and as and when circumstances require. In FY2018, the number of the Board and the Board Committee meetings held and the attendance of each Board member are shown below.</p> <table border="1"> <thead> <tr> <th colspan="5">Table 1.4 – Board and Board Committee Meetings in FY2018</th> </tr> <tr> <th></th> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Number of Meetings Held</td> <td>7</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <th>Name of Director</th> <th colspan="4">Number of Meetings Attended</th> </tr> <tr> <td>Chew Chee Bin</td> <td>7</td> <td>2*</td> <td>1</td> <td>1*</td> </tr> <tr> <td>Chew Eng Hoe</td> <td>7</td> <td>2*</td> <td>1</td> <td>1*</td> </tr> <tr> <td>Yuen Sou Wai</td> <td>7</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Chong Chin Fan</td> <td>7</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Choo Boon Seng</td> <td>7</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Chew Chee Keong</td> <td>7</td> <td>2*</td> <td>1*</td> <td>1</td> </tr> </tbody> </table> <p><i>* By invitation</i></p> <p>The Company's Constitution (the "Constitution") allows for Board meetings to be held by way of tele-conferences and through other electronic communications equipment.</p>	Table 1.4 – Board and Board Committee Meetings in FY2018						Board	AC	NC	RC	Number of Meetings Held	7	2	1	1	Name of Director	Number of Meetings Attended				Chew Chee Bin	7	2*	1	1*	Chew Eng Hoe	7	2*	1	1*	Yuen Sou Wai	7	2	1	1	Chong Chin Fan	7	2	1	1	Choo Boon Seng	7	2	1	1	Chew Chee Keong	7	2*	1*	1
Table 1.4 – Board and Board Committee Meetings in FY2018																																																				
	Board	AC	NC	RC																																																
Number of Meetings Held	7	2	1	1																																																
Name of Director	Number of Meetings Attended																																																			
Chew Chee Bin	7	2*	1	1*																																																
Chew Eng Hoe	7	2*	1	1*																																																
Yuen Sou Wai	7	2	1	1																																																
Chong Chin Fan	7	2	1	1																																																
Choo Boon Seng	7	2	1	1																																																
Chew Chee Keong	7	2*	1*	1																																																
1.5	What are the types of material transactions which require approval from the Board?	<p>The Board has put in place internal policies for matters that require Board approval. The Board approves transactions exceeding certain threshold limits. The authority for transactions below such limits is delegated to Board Committees and/or the Management to optimise operational efficiency guided by internal policies and limits of authority.</p> <p>Specifically, matters and transactions that require the Board's approval include, amongst others, the following:</p> <ul style="list-style-type: none"> • release of the half year and full year results announcements; • annual report and financial statements; • annual budgets and financial plans of the Company; • convening of shareholders' meetings; • corporate strategies; • material acquisitions and disposals of assets exceeding S\$100,000; • share issuances; • declaration of interim dividends and proposal of final dividends; • appointing of directors and key management staff, including the review of performance and remuneration packages; and • interested person transactions. 																																																		

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1.6	(a) Are new Directors given formal training? If not, please explain why.	<p>All newly appointed Directors will undergo an orientation programme where the Director will be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities and meet with key management personnel.</p> <p>The Company will provide training to first-time Directors in areas such as accounting, legal and industry specific knowledge as appropriate and such training will be arranged and funded by the Company. First-time directors of listed companies in Singapore will also attend relevant training programmes conducted by the Singapore Institute of Directors.</p> <p>There were no appointments of new Directors in FY2018. The current Directors who were appointed on 20 November 2018 and 29 December 2018 were briefed on the Group's new business strategies and appropriate training will be arranged. The Directors may also attend other trainings, conferences and seminars that are organised by the professional bodies, regulatory institutions and corporations at the Company's expense. A formal letter setting out the Director's duties and obligations has been provided to the current Directors.</p>
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	<p>During FY2018, the external auditors ("EA") had briefed the AC and the Board on changes or amendments to accounting standards. New releases issued by SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors had been circulated to the Board. The Board encourages, at the Company's expense, its members to participate in seminars and receive training to improve themselves in the discharge of their duties as Directors. All Directors are provided with courses available/ to be conducted by the Singapore Institute of Directors on a regular basis.</p>
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	<p>In FY2018, in view that the Chairman of the Board (the "Chairman") was part of the management team and was not an independent director, Independent Directors should make up at least half of the Board. In FY2018, three (3) out of six (6) Directors on the Board were Independent Directors. Thus, Guideline 2.2 of the Code was satisfied.</p> <p>The current Chairman is not an Independent Director. As three (3) out of six (6) Directors on the current Board are Independent Directors, Guideline 2.2 of the Code is satisfied.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		To strengthen the independence of the Board, Mr. Patrick Chee has been appointed as the Lead Independent Director of the Company. He makes himself available to the shareholders of the Company at the Company's general meetings, where they have concerns and for which contact through the normal channels to the Chairman, CEO and the Chief Financial Officer ("CFO") have failed to resolve or is inappropriate. The Lead Independent Director is also responsible for leading the meetings of independent directors and providing feedback to the Chairman after such meetings.
2.3 4.3	<p>Has the independence of the Independent Directors been reviewed in the last financial year?</p> <p>(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.</p> <p>(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.</p>	<p>The NC had reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors had also confirmed their independence in accordance with the Code.</p> <p>There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.</p>
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	None of the Independent Directors have served on the Board for more than nine (9) years since the date of his first appointment.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																											
2.5	<p>What are the steps taken by the Board to progressively renew the Board composition?</p> <p>Has the Board considered the present Board size, and with a view to determining the impact of the number upon effectiveness, decide on what it considered an appropriate size for the Board, which facilitates effective decision-making?</p>	<p>We refer to the Company's circular to shareholders of the Company ("Shareholders") dated 9 January 2019 ("Circular"). The Company, if approved by the Shareholders at the Extraordinary General Meeting to be held on 31 January 2019, will diversify into the Property Business and the Financial Investments Services Business (as defined in the Circular). The Board was renewed on 20 November 2018 in light of these potential changes in the business of the Company. The new Board members were nominated after considering the wealth of experience of these directors in the Property and Financial Investment industries where the Company intends to operate.</p> <p>On an annual basis, the Board will conduct reviews which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, to ensure that the Board dynamics remain optimal.</p> <p>The Board, through the NC, has considered the present Board size and is satisfied that the current size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operations.</p>																											
2.6	<p>(a) What is the Board's policy with regard to diversity in identifying director nominees?</p> <p>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</p>	<p>The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience that could effectively contribute to the Group, regardless of gender.</p> <p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1" data-bbox="654 1545 1436 2049"> <thead> <tr> <th colspan="3" data-bbox="654 1545 1436 1579">Table 2.6 – Balance and Diversity of the Board</th> </tr> <tr> <th data-bbox="654 1579 1005 1646"></th> <th data-bbox="1005 1579 1236 1646">Number of Directors</th> <th data-bbox="1236 1579 1436 1646">Proportion of Board</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="654 1646 1436 1680">Core Competencies</td> </tr> <tr> <td data-bbox="654 1680 1005 1713">- Accounting or finance</td> <td data-bbox="1005 1680 1236 1713">3</td> <td data-bbox="1236 1680 1436 1713">50%</td> </tr> <tr> <td data-bbox="654 1713 1005 1747">- Business management</td> <td data-bbox="1005 1713 1236 1747">6</td> <td data-bbox="1236 1713 1436 1747">100%</td> </tr> <tr> <td data-bbox="654 1747 1005 1814">- Legal or corporate governance</td> <td data-bbox="1005 1747 1236 1814">3</td> <td data-bbox="1236 1747 1436 1814">50%</td> </tr> <tr> <td data-bbox="654 1814 1005 1915">- Relevant industry knowledge or experience</td> <td data-bbox="1005 1814 1236 1915">4</td> <td data-bbox="1236 1814 1436 1915">67%</td> </tr> <tr> <td data-bbox="654 1915 1005 1982">- Strategic planning experience</td> <td data-bbox="1005 1915 1236 1982">6</td> <td data-bbox="1236 1915 1436 1982">100%</td> </tr> <tr> <td data-bbox="654 1982 1005 2049">- Customer based experience or knowledge</td> <td data-bbox="1005 1982 1236 2049">6</td> <td data-bbox="1236 1982 1436 2049">100%</td> </tr> </tbody> </table>	Table 2.6 – Balance and Diversity of the Board				Number of Directors	Proportion of Board	Core Competencies			- Accounting or finance	3	50%	- Business management	6	100%	- Legal or corporate governance	3	50%	- Relevant industry knowledge or experience	4	67%	- Strategic planning experience	6	100%	- Customer based experience or knowledge	6	100%
Table 2.6 – Balance and Diversity of the Board																													
	Number of Directors	Proportion of Board																											
Core Competencies																													
- Accounting or finance	3	50%																											
- Business management	6	100%																											
- Legal or corporate governance	3	50%																											
- Relevant industry knowledge or experience	4	67%																											
- Strategic planning experience	6	100%																											
- Customer based experience or knowledge	6	100%																											

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		<p>The NC is of the view that the current Board comprises persons whose diverse skills, experience and attributes provide for an effective Board. The Board members also collectively possess the necessary core competencies for the effective functioning of the Board and an informed decision making process.</p>
	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	<p>The Board has taken the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> • annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. <p>The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</p>
2.8	Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?	The Non-Executive Directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of the Management. In FY2018, the Non-Executive Directors had met at least once in the absence of key management personnel.
Chairman and Chief Executive Officer		
3.1 3.2	Are the duties between Chairman and CEO segregated?	<p>In FY2018, the roles of the Executive Chairman and the Managing Director were separate and distinct, each having their own areas of responsibilities. The distinctive separation of responsibilities between the Executive Chairman and the Managing Director had ensured an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making. The positions of the Executive Chairman and Managing Director were held by Mr. Chew Chee Bin and Mr. Chew Eng Hoe respectively.</p> <p>Mr. Zachary Tan is our current Non-Executive Chairman of the Board and is responsible for ensuring the effectiveness and integrity of the governance process. He approves meeting agendas for the Board and reviews the meeting agendas for the Board Committees. Mr. Alex Tan is the CEO and is responsible for the overall management, operations, strategic planning and business expansion of the Group and overseeing the day-to-day operations of the Group. He works with the Board to determine the strategic and operational objectives of the Group. The Board is of the view that there is a clear division of responsibilities between the Non-Executive Chairman and the CEO in order to ensure that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
3.4	Have the Independent Directors met in the absence of other directors?	Led by the Lead Independent Director, the Independent Directors will meet in the absence of the other Directors as and when circumstances warrant. In FY2018, the Independent Directors have met the EA and internal auditors ("IA") once in the absence of other Directors. The Lead Independent Director will provide feedback to the Chairman, when necessary.
Board Membership		
4.1 4.2	What are the duties of the NC?	<p>The NC is guided by key terms of reference as follows:</p> <ul style="list-style-type: none"> (a) deciding how the Board's performance may be evaluated and proposing objective performance criteria; (b) making recommendations to the Board on the appointment and re-appointment of Directors (including alternate Directors, if applicable) having regard to the Director's contributions and performance, including making recommendations on the composition of the Board and the balance between Executive and Non-Executive Directors appointed to the Board; (c) regularly reviewing the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary; (d) identifying and nominating candidates as necessary for the approval of the Board, determining annually whether or not a Director is independent under the definition set out in the Code, filling Board vacancies as and when they arise, as well as putting in place plans for succession, in particular, in respect of the roles of the Non-Executive Chairman and the CEO; (e) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations and/or a conflict of interest; and (f) reviewing the training and professional development programmes for the Board.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has not prescribed a limit with respect to the maximum number of listed company board representations each Director may hold.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) If a maximum has not been determined, what are the reasons?	The NC and the Board are of the view that, setting a maximum number of listed company board representations a Director may hold is not meaningful, as long as Directors are able to devote sufficient time and attention to the affairs of the Company. The NC also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. The Board also noted that only three (3) Directors of the current Board have directorships in other listed companies and each of them holds not more than three (3) other directorships. Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC is of the view that sufficient time and attention to the affairs of the Company have been given by these Directors and is satisfied that all Directors have discharged their duties adequately.
	(c) What are the specific considerations in deciding on the capacity of directors?	The considerations in assessing the capacity of Directors include the following: <ul style="list-style-type: none"> • expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • geographical location of Directors; • size and composition of the Board; and • nature and scope of the Group's operations and size.
	(d) Have the Directors adequately discharged their duties?	The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and was satisfied that all the Directors have discharged their duties adequately for FY2018.
4.5	Are there alternate Directors?	The Company does not have any alternate Directors.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																		
4.6	Please describe the board nomination process for the Company for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	<p data-bbox="662 412 1425 479">Table 4.6(a) – Process for the Selection and Appointment of New Directors</p> <table border="1" data-bbox="651 479 1441 1256"> <tbody> <tr> <td data-bbox="662 488 699 555">1.</td> <td data-bbox="708 488 1002 555">Determination of selection criteria</td> <td data-bbox="1011 488 1425 741"> <ul style="list-style-type: none"> The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board and increase its diversity. </td> </tr> <tr> <td data-bbox="662 752 699 819">2.</td> <td data-bbox="708 752 1002 819">Search for suitable candidates</td> <td data-bbox="1011 752 1425 976"> <ul style="list-style-type: none"> The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. </td> </tr> <tr> <td data-bbox="662 987 699 1055">3.</td> <td data-bbox="708 987 1002 1055">Assessment of shortlisted candidates</td> <td data-bbox="1011 987 1425 1111"> <ul style="list-style-type: none"> The NC would meet and interview the shortlisted candidates to assess their suitability. </td> </tr> <tr> <td data-bbox="662 1122 699 1189">4.</td> <td data-bbox="708 1122 1002 1189">Appointment of director</td> <td data-bbox="1011 1122 1425 1245"> <ul style="list-style-type: none"> The NC would recommend the selected candidate to the Board for consideration and approval. </td> </tr> </tbody> </table> <p data-bbox="662 1267 1425 1335">Table 4.6(b) – Process for the Re-election of Incumbent Directors</p> <table border="1" data-bbox="651 1335 1441 1839"> <tbody> <tr> <td data-bbox="662 1344 699 1411">1.</td> <td data-bbox="708 1344 1002 1411">Assessment of director</td> <td data-bbox="1011 1344 1425 1626"> <ul style="list-style-type: none"> The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and The NC would also consider the current needs of the Board. </td> </tr> <tr> <td data-bbox="662 1637 699 1704">2.</td> <td data-bbox="708 1637 1002 1704">Re-appointment of director</td> <td data-bbox="1011 1637 1425 1827"> <ul style="list-style-type: none"> Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval. </td> </tr> </tbody> </table>	1.	Determination of selection criteria	<ul style="list-style-type: none"> The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board and increase its diversity. 	2.	Search for suitable candidates	<ul style="list-style-type: none"> The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. 	3.	Assessment of shortlisted candidates	<ul style="list-style-type: none"> The NC would meet and interview the shortlisted candidates to assess their suitability. 	4.	Appointment of director	<ul style="list-style-type: none"> The NC would recommend the selected candidate to the Board for consideration and approval. 	1.	Assessment of director	<ul style="list-style-type: none"> The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and The NC would also consider the current needs of the Board. 	2.	Re-appointment of director	<ul style="list-style-type: none"> Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.
1.	Determination of selection criteria	<ul style="list-style-type: none"> The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board and increase its diversity. 																		
2.	Search for suitable candidates	<ul style="list-style-type: none"> The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary. 																		
3.	Assessment of shortlisted candidates	<ul style="list-style-type: none"> The NC would meet and interview the shortlisted candidates to assess their suitability. 																		
4.	Appointment of director	<ul style="list-style-type: none"> The NC would recommend the selected candidate to the Board for consideration and approval. 																		
1.	Assessment of director	<ul style="list-style-type: none"> The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and The NC would also consider the current needs of the Board. 																		
2.	Re-appointment of director	<ul style="list-style-type: none"> Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval. 																		

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		<p>Under Regulation 100 of the Constitution, at least one-third of its Directors shall retire from office by rotation and are subject to re-election at every annual general meeting of the Company. All Directors shall submit themselves for renomination and re-election at regular intervals and at least once every three (3) years. In addition, the Constitution also provides that a newly appointed Director must submit himself for re-election at the next annual general meeting of the Company following his appointment.</p> <p>Pursuant to Regulation 99 of the Constitution, all Directors are due for retirement at the forthcoming annual general meeting ("AGM") and all Directors have each consented to remain in office.</p> <p>The NC has recommended to the Board that Mr. Zachary Tan, Mr. Alex Tan, Mr. Lawrence Chiu, Mr. Patrick Chee, Mr. Wan Tai Foong and Mr. Eric Low be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had considered the directors' qualifications, expertise, past experiences and overall contribution since they were appointed as Directors of the Company. The Board has accepted the recommendations and, with the concurrence of the NC, has also considered Mr. Patrick Chee, Mr. Eric Low and Mr. Wan Tai Foong to be independent for the purposes of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules").</p> <p>Mr. Zachary Tan will, upon re-election as a Director of the Company, remain as the Non-Executive Non-Independent Chairman of the Board and a member of the Risk Committee.</p> <p>Mr. Alex Tan will, upon re-election as a Director of the Company, remain as the Executive Director and CEO of the Company, the Chairman of the Risk Committee and a member of the NC.</p> <p>Mr. Lawrence Chiu will, upon re-election as a Director of the Company, remain as the Executive Director of the Company and a member of the NC and Risk Committee.</p> <p>Mr. Patrick Chee will, upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the RC and a member of the AC, NC and Risk Committee.</p> <p>Mr. Wan Tai Foong will, upon re-election as a Director of the Company, remain as the Chairman of the AC and a member of the NC, RC and Risk Committee.</p> <p>Mr. Eric Low will, upon re-election as a Director of the Company, remain as the Chairman of the NC and a member of the AC, RC and Risk Committee.</p> <p>Mr. Alex Tan, Mr. Lawrence Chiu, Mr. Patrick Chee, Mr. Wan Tai Foong and Mr. Eric Low, being members of the NC, have abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own contributions and/or re-election as a Director.</p> <p>Please refer to pages 6 to 8 and pages 45 to 55 for information on the directors nominated for re-election, including the information required under Appendix 7F of the Catalist Rules.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation						
4.7	Please provide Directors' key information.	The key information of the current Directors who were appointed to the Board on 20 November 2018 and 29 December 2018, including directorships held in other listed companies in the past three (3) years, are set out on pages 6 to 8 of this annual report.						
Board Performance								
5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	<p>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole. The evaluations are designed to assess the Board's effectiveness to enable the NC Chairman and Board to identify the areas of improvement or enhancement that can be made to the Board.</p> <table border="1" data-bbox="651 824 1442 1294"> <thead> <tr> <th colspan="2" data-bbox="651 824 1442 869">Table 5: Performance Criteria for Board Evaluation</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 869 954 1189">Qualitative</td> <td data-bbox="954 869 1442 1189"> <ol style="list-style-type: none"> 1. Size and composition 2. Access to information 3. Board processes 4. Board's conduct of meetings 5. Corporate strategy and planning 6. Board accountability 7. Risk management and internal controls 8. Succession planning 9. Communication with shareholders </td> </tr> <tr> <td data-bbox="651 1189 954 1294">Quantitative</td> <td data-bbox="954 1189 1442 1294"> <ol style="list-style-type: none"> 1. Performance of the Company 2. Return on equity 3. Earnings per share for shareholders </td> </tr> </tbody> </table> <p>The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders' value, and thereafter propose amendments, if any, to the Board for approval.</p> <p>The NC did not propose any changes to the performance criteria for FY2018 as compared to the previous financial year as the Board composition and the Group's principal business activities remained the same since FY2017. In view of the new businesses that the Company intends to diversify into, the NC will review the above criteria during the current financial year ending 30 September 2019 and propose amendments, if necessary, to the Board for approval.</p> <p>Given the relatively small size of the Board, the NC is of the view that a formal assessment need not be conducted on the Board Committees and contribution of each individual Director to the effectiveness of the Board.</p>	Table 5: Performance Criteria for Board Evaluation		Qualitative	<ol style="list-style-type: none"> 1. Size and composition 2. Access to information 3. Board processes 4. Board's conduct of meetings 5. Corporate strategy and planning 6. Board accountability 7. Risk management and internal controls 8. Succession planning 9. Communication with shareholders 	Quantitative	<ol style="list-style-type: none"> 1. Performance of the Company 2. Return on equity 3. Earnings per share for shareholders
Table 5: Performance Criteria for Board Evaluation								
Qualitative	<ol style="list-style-type: none"> 1. Size and composition 2. Access to information 3. Board processes 4. Board's conduct of meetings 5. Corporate strategy and planning 6. Board accountability 7. Risk management and internal controls 8. Succession planning 9. Communication with shareholders 							
Quantitative	<ol style="list-style-type: none"> 1. Performance of the Company 2. Return on equity 3. Earnings per share for shareholders 							

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																											
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	<p>The review of the performance of the Board is conducted by the NC annually.</p> <p>For FY2018, the review process was as follows:</p> <ol style="list-style-type: none"> 1. all Directors individually completed a board evaluation questionnaire on the effectiveness of the Board, based on criteria disclosed in Table 5 above; 2. the Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; and 3. the NC discussed the report and concluded the performance results during the NC meeting. <p>No external facilitator was used in the evaluation process.</p>																											
	(b) Has the Board met its performance objectives?	Yes, the Board has met its performance objectives for FY2018.																											
Access to Information																													
6.1 6.2 10.1 10.3	What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	<p>It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full-year financial results announcements, other price-sensitive public reports and reports to regulators (if required). The Management provides the Board with key information that is complete, adequate and timely. The types of information which are provided by the Management to the Independent Directors are set out in the table below:</p> <table border="1"> <thead> <tr> <th colspan="3">Table 6 – Types of information provided by key management personnel to Independent Directors</th> </tr> <tr> <th></th> <th>Information</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td>Half-yearly</td> </tr> <tr> <td>2.</td> <td>Updates to the Group's operations and the markets in which the Group operates in</td> <td>Half-yearly</td> </tr> <tr> <td>3.</td> <td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)</td> <td>Half-yearly</td> </tr> <tr> <td>4.</td> <td>Reports on on-going or planned corporate actions</td> <td>Half-yearly</td> </tr> <tr> <td>5.</td> <td>Enterprise risk framework and IA' report(s)</td> <td>Half-yearly</td> </tr> <tr> <td>6.</td> <td>Research report(s)</td> <td>As required</td> </tr> <tr> <td>7.</td> <td>Shareholding statistics</td> <td>Annually</td> </tr> </tbody> </table>	Table 6 – Types of information provided by key management personnel to Independent Directors				Information	Frequency	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Half-yearly	2.	Updates to the Group's operations and the markets in which the Group operates in	Half-yearly	3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)	Half-yearly	4.	Reports on on-going or planned corporate actions	Half-yearly	5.	Enterprise risk framework and IA' report(s)	Half-yearly	6.	Research report(s)	As required	7.	Shareholding statistics	Annually
Table 6 – Types of information provided by key management personnel to Independent Directors																													
	Information	Frequency																											
1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Half-yearly																											
2.	Updates to the Group's operations and the markets in which the Group operates in	Half-yearly																											
3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)	Half-yearly																											
4.	Reports on on-going or planned corporate actions	Half-yearly																											
5.	Enterprise risk framework and IA' report(s)	Half-yearly																											
6.	Research report(s)	As required																											
7.	Shareholding statistics	Annually																											

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		<p>Key management personnel will also provide any additional material or information that is requested by the Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p> <p>All Directors have direct and independent access to key management personnel.</p>
6.3 6.4 6.5	What is the role of the Company Secretary?	<p>All Directors have separate and independent access to the Company Secretary and are able to obtain independent professional advice at the Company's expense. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:</p> <ul style="list-style-type: none"> • ensures that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore (the "Companies Act") and the Catalist Rules, are complied with; • assists the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value; • assists the Chairman to ensure good information flows within the Board and its committees and key management personnel; • facilitates orientation and assisting with professional development as required; • trains, designs and implements a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information; • attends and prepares minutes for all Board meetings; • as secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and • assists the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
REMUNERATION MATTERS		
Developing Remuneration Policies		
7.1 7.2	What is the role of the RC?	<p>The RC is guided by key terms of reference as follows:</p> <p>(a) review and recommend to the Board, in consultation with the Executive Directors, a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each Director and key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;</p> <p>(b) review and recommend to the Board the service contracts of Executive Directors and key management personnel and ensure that such services contracts are fair and not excessively long or with onerous renewal/termination clauses; and</p> <p>(c) review and approve the granting of share options and/or performance shares to Directors and employees.</p>
7.3	Were remuneration consultants engaged in the last financial year?	<p>The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Group's relative performance to the industry and the performance of the individual Directors. No remuneration consultants were engaged by the Company in FY2018. The service of an external remuneration consultant will be sought, as and when necessary.</p>
8.4	Are "claw-back" provisions provided for in the service agreements of Executive Directors and key management personnel?	<p>The Company currently does not have any contractual provisions allowing the Company to reclaim incentives from the Executive Directors and key management personnel in circumstances such as exceptional cases of wrong doings. The Board is of the view that as the Group pays performance bonus based on the actual performance of the Group, "claw-back" provisions in the service agreements may not be relevant or appropriate.</p>
Disclosure on Remuneration		
9	What is the Company's remuneration policy?	<p>The Group's remuneration policy (which covers all aspects of remuneration including directors' fees, salaries, allowances, and bonuses, grant of shares and share options, and benefits-in-kind) is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise. The policy articulates to staff the link that total compensation has to be the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market or the industry.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																																								
9.1 9.2	Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors for FY2018 is as follows:</p> <table border="1" data-bbox="651 501 1439 1128"> <thead> <tr> <th colspan="7" data-bbox="651 501 1439 539">Table 9 – Directors' Remuneration</th> </tr> <tr> <th data-bbox="651 539 767 647">Name</th> <th data-bbox="767 539 903 647">Remuneration(\$)</th> <th data-bbox="903 539 1002 647">Salary (%)</th> <th data-bbox="1002 539 1098 647">Bonus (%)</th> <th data-bbox="1098 539 1214 647">Directors Fees (%)</th> <th data-bbox="1214 539 1331 647">Benefits-in-kind (%)</th> <th data-bbox="1331 539 1439 647">Total (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 647 767 719">Chew Chee Bin</td> <td data-bbox="767 647 903 719">334,693</td> <td data-bbox="903 647 1002 719">78</td> <td data-bbox="1002 647 1098 719">22</td> <td data-bbox="1098 647 1214 719">–</td> <td data-bbox="1214 647 1331 719">–</td> <td data-bbox="1331 647 1439 719">100</td> </tr> <tr> <td data-bbox="651 719 767 790">Chew Eng Hoe</td> <td data-bbox="767 719 903 790">358,692</td> <td data-bbox="903 719 1002 790">73</td> <td data-bbox="1002 719 1098 790">20</td> <td data-bbox="1098 719 1214 790">–</td> <td data-bbox="1214 719 1331 790">7</td> <td data-bbox="1331 719 1439 790">100</td> </tr> <tr> <td data-bbox="651 790 767 862">Yuen Sou Wai</td> <td data-bbox="767 790 903 862">44,500</td> <td data-bbox="903 790 1002 862">–</td> <td data-bbox="1002 790 1098 862">–</td> <td data-bbox="1098 790 1214 862">100</td> <td data-bbox="1214 790 1331 862">–</td> <td data-bbox="1331 790 1439 862">100</td> </tr> <tr> <td data-bbox="651 862 767 934">Chong Chin Fan</td> <td data-bbox="767 862 903 934">38,150</td> <td data-bbox="903 862 1002 934">–</td> <td data-bbox="1002 862 1098 934">–</td> <td data-bbox="1098 862 1214 934">100</td> <td data-bbox="1214 862 1331 934">–</td> <td data-bbox="1331 862 1439 934">100</td> </tr> <tr> <td data-bbox="651 934 767 1028">Choo Boon Seng</td> <td data-bbox="767 934 903 1028">38,150</td> <td data-bbox="903 934 1002 1028">–</td> <td data-bbox="1002 934 1098 1028">–</td> <td data-bbox="1098 934 1214 1028">100</td> <td data-bbox="1214 934 1331 1028">–</td> <td data-bbox="1331 934 1439 1028">100</td> </tr> <tr> <td data-bbox="651 1028 767 1128">Chew Chee Keong</td> <td data-bbox="767 1028 903 1128">38,150</td> <td data-bbox="903 1028 1002 1128">–</td> <td data-bbox="1002 1028 1098 1128">–</td> <td data-bbox="1098 1028 1214 1128">100</td> <td data-bbox="1214 1028 1331 1128">–</td> <td data-bbox="1331 1028 1439 1128">100</td> </tr> </tbody> </table> <p data-bbox="651 1160 1439 1223">There are no termination, post-employment and retirement benefits that may be granted to the Directors.</p> <p data-bbox="651 1254 1439 1447">The independence of the Non-Executive Directors is not compromised by their compensation. The NC recommends Directors' fee for the Board's endorsement and approval by shareholders at the Company's AGM and the fees are determined having regard to the scope and extent of the Directors' responsibilities and obligation to the Company.</p> <p data-bbox="651 1478 1439 1509">No Director is involved in deciding his own remuneration.</p>	Table 9 – Directors' Remuneration							Name	Remuneration(\$)	Salary (%)	Bonus (%)	Directors Fees (%)	Benefits-in-kind (%)	Total (%)	Chew Chee Bin	334,693	78	22	–	–	100	Chew Eng Hoe	358,692	73	20	–	7	100	Yuen Sou Wai	44,500	–	–	100	–	100	Chong Chin Fan	38,150	–	–	100	–	100	Choo Boon Seng	38,150	–	–	100	–	100	Chew Chee Keong	38,150	–	–	100	–	100
Table 9 – Directors' Remuneration																																																										
Name	Remuneration(\$)	Salary (%)	Bonus (%)	Directors Fees (%)	Benefits-in-kind (%)	Total (%)																																																				
Chew Chee Bin	334,693	78	22	–	–	100																																																				
Chew Eng Hoe	358,692	73	20	–	7	100																																																				
Yuen Sou Wai	44,500	–	–	100	–	100																																																				
Chong Chin Fan	38,150	–	–	100	–	100																																																				
Choo Boon Seng	38,150	–	–	100	–	100																																																				
Chew Chee Keong	38,150	–	–	100	–	100																																																				

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																			
9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The disclosure for the remuneration of the Company's key management personnel (who are not Directors or the Managing Director) for FY2018 is as follows:</p> <p>Table 9.3 – Remuneration of Key Management Personnel</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Remuneration Band (S\$)</th> <th>Base/Fixed Salary (%)</th> <th>Variable bonus (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Tay Bee Gek, Dorriz</td> <td>>250,000 < 500,000</td> <td>48</td> <td>52</td> <td>100</td> </tr> <tr> <td>Chew Eng Kiat⁽¹⁾</td> <td>< 250,000</td> <td>51</td> <td>49</td> <td>100</td> </tr> <tr> <td>Chew Eng Keng⁽¹⁾</td> <td>< 250,000</td> <td>50</td> <td>50</td> <td>100</td> </tr> <tr> <td>Chew Chu Hoo⁽¹⁾</td> <td>< 250,000</td> <td>49</td> <td>51</td> <td>100</td> </tr> <tr> <td>Tan Chee Nam⁽¹⁾</td> <td>< 250,000</td> <td>31</td> <td>69</td> <td>100</td> </tr> <tr> <td>Tan Swee Teck⁽¹⁾</td> <td>< 250,000</td> <td>40</td> <td>60</td> <td>100</td> </tr> </tbody> </table> <p>(1) Remuneration for the period from 1 October 2017 to 20 April 2018, being the date of completion of the disposal of the entire issued and paid-up share capital of (i) Chew's Agriculture Pte Ltd, (ii) Chew's Engineering Services Pte Ltd, (iii) Chew's Group Investment Pte Ltd, and (iv) Chew's Group Marketing Pte Ltd.</p> <p>In view of the highly competitive industry conditions and in the interest of maintaining good morale and building team work within the Group, the specific remuneration of each key management personnel has not been disclosed.</p> <p>There are no termination and retirement benefits that may be granted to the key management personnel.</p>	Name	Remuneration Band (S\$)	Base/Fixed Salary (%)	Variable bonus (%)	Total (%)	Tay Bee Gek, Dorriz	>250,000 < 500,000	48	52	100	Chew Eng Kiat ⁽¹⁾	< 250,000	51	49	100	Chew Eng Keng ⁽¹⁾	< 250,000	50	50	100	Chew Chu Hoo ⁽¹⁾	< 250,000	49	51	100	Tan Chee Nam ⁽¹⁾	< 250,000	31	69	100	Tan Swee Teck ⁽¹⁾	< 250,000	40	60	100
Name	Remuneration Band (S\$)	Base/Fixed Salary (%)	Variable bonus (%)	Total (%)																																	
Tay Bee Gek, Dorriz	>250,000 < 500,000	48	52	100																																	
Chew Eng Kiat ⁽¹⁾	< 250,000	51	49	100																																	
Chew Eng Keng ⁽¹⁾	< 250,000	50	50	100																																	
Chew Chu Hoo ⁽¹⁾	< 250,000	49	51	100																																	
Tan Chee Nam ⁽¹⁾	< 250,000	31	69	100																																	
Tan Swee Teck ⁽¹⁾	< 250,000	40	60	100																																	
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	The total remuneration paid to the top five (5) key management personnel for FY2018 was S\$1,065,497.																																			

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
9.4	Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S\$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.	<p>The Company's former Production Manager, Mr. Chew Eng Kiat and the Company's former Maintenance and Engineering Manager, Mr. Chew Eng Keng, are brothers of the Company's Managing Director, Mr. Chew Eng Hoe. The remuneration of Mr. Chew Eng Kiat fell within the band of S\$150,000 and S\$200,000 and Mr. Chew Eng Keng fell within the band of S\$100,000 and S\$150,000 for FY2018.</p> <p>The Company's former Assistant Human Resource and Procurement Manager, Ms. Lee Hwee Hua, is the spouse of the Company's Managing Director, Mr. Chew Eng Hoe. Her remuneration fell within the band of S\$50,000 and S\$100,000 for FY2018.</p> <p>Save as disclosed, there are no other employees who are immediate family members of a Director or the Managing Director and whose remuneration exceed S\$50,000 for FY2018.</p>
9.5	Please provide details of the employee share scheme(s).	Information on the Company's Employee Share Option Scheme (" ESOS ") and Performance Share Plan (" PSP ") are set out on pages 57 to 58 of this annual report and further information can be found in the Company's Offer Document dated 16 February 2011.
9.6	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2018. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation												
	<p>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</p>	<p>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders in FY2018:</p> <table border="1" data-bbox="639 568 1422 1144"> <thead> <tr> <th colspan="3" data-bbox="639 568 1422 607">Table 9.6(b) – Performance Incentives Criteria</th> </tr> <tr> <th data-bbox="639 607 836 741">Performance Conditions</th> <th data-bbox="836 607 1123 741">Short-term Incentives (such as performance bonus)</th> <th data-bbox="1123 607 1422 741">Long-term Incentives (such as the ESOS and PSP)</th> </tr> </thead> <tbody> <tr> <td data-bbox="639 741 836 1070">Qualitative</td> <td data-bbox="836 741 1123 1070"> <ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors </td> <td data-bbox="1123 741 1422 1070"> <ol style="list-style-type: none"> 1. Group's major project or development 2. Current market and industry practices </td> </tr> <tr> <td data-bbox="639 1070 836 1144">Quantitative</td> <td colspan="2" data-bbox="836 1070 1422 1144"> <ol style="list-style-type: none"> 1. Profit Before Tax of at least S\$2 million </td> </tr> </tbody> </table>	Table 9.6(b) – Performance Incentives Criteria			Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as the ESOS and PSP)	Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors 	<ol style="list-style-type: none"> 1. Group's major project or development 2. Current market and industry practices 	Quantitative	<ol style="list-style-type: none"> 1. Profit Before Tax of at least S\$2 million 	
Table 9.6(b) – Performance Incentives Criteria														
Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as the ESOS and PSP)												
Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors 	<ol style="list-style-type: none"> 1. Group's major project or development 2. Current market and industry practices 												
Quantitative	<ol style="list-style-type: none"> 1. Profit Before Tax of at least S\$2 million 													
	<p>(c) Were all of these performance conditions met? If not, what were the reasons?</p>	<p>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2018.</p> <p>For FY2018, all the Executive Directors and key management personnel did not receive the incentive bonuses under their respective service agreements as the performance conditions were not met, however they received special bonus in view of the corporate actions taken by the Group in FY2018.</p>												

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT Risk Management and Internal Controls		
11.1 11.2 11.4	The Board may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies.	<p>The Board is responsible for the overall governance of the risk management of the Company, establishing risk management policies and tolerance strategies that set the direction for the Group and overseeing the implementation of risk management framework to ensure that risks identified and managed.</p> <p>The Risk Committee, which comprises all directors of the Company, assumes the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Company's risk management systems and procedures. The Company's CFO, Ms Tay Bee Gek Dorriz, has been appointed as the Company's Chief Risk Officer (the "CRO") on 27 November 2012 to assist the Risk Committee to meet their objectives.</p> <p>The Risk Committee determines the Company's levels of risk tolerance and risk policies, and oversees the Management in the design and implementation of a framework for the monitoring of risk management. The Risk Governance and Internal Control Framework, prepared on a yearly basis, sets out the Board's approved code of ethics, risk appetite and tolerance guidance, authority and risk control matrix, key control activities and key reporting and monitoring activities that the Management must strictly adhere to. The Risk Committee regularly reviews the risks and controls of the Group's business and operational activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The CRO reviews all significant control policies and procedures and highlights all significant matters to the Risk Committee. At least once a year, the Group undertakes an enterprise-wide review of the adequacy and effectiveness of the Company's risk management and internal control systems, of which includes the financial, operational, compliance and information technology controls. During this exercise, risk owners review and update the risks and controls for their respective areas, taking into consideration any change in business environment and processes. The results of this annual review are presented to the Board to ensure that enterprise risks are appropriately identified and managed.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
11.3	<p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p> <p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2018.</p> <p>The bases for the Board's view are as follows:</p> <ol style="list-style-type: none"> 1. assurance has been received from the Managing Director and CFO (refer to Section 11.3(b) below); 2. an internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. key management personnel regularly evaluates, monitors and reports to the AC and the Risk Committee on material risks; 4. discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; 5. an enterprise risk management framework was maintained to identify, manage and mitigate significant risks; and 6. risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels. <p>Yes, the Board has obtained such assurance from the Managing Director and CFO in respect of FY2018.</p> <p>The Board has relied on the EA's report as assurance that the financial records have been properly kept in accordance with the provisions of the Companies Act and the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended. In addition, the EA have provided the Board a clean opinion on the Group's financial statements and the IA has carried out its reviews based on the agreed scope and the Board noted there were no major adverse findings on risk management and internal control systems relating to the agreed scope.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Audit Committee		
12.1 12.3 12.4 12.9	What is the role of the AC?	<p>All members of the AC are independent, Non-Executive Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.</p> <p>In performing its functions in accordance with a set of terms of reference, the AC meets to, <i>inter alia</i>, discuss and review the following:</p> <ul style="list-style-type: none"> (a) significant financial reporting issues and judgments to ensure the integrity of the financial statements of the Group; (b) adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls at least on an annual basis; (c) audit plan and EA's report presented by the Company's EA; (d) assistance provided by the Company's officers to the EA and IA; (e) hiring, removal, evaluation and compensation of the IA; (f) internal audit plan and internal audit report with the IA; (g) independence of the EA annually and recommend the EA to be nominated, approve the remuneration of the EA and terms of their engagement; (h) consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company prior to their submission to the Board for approval; (i) the Company's half-year and full-year results announcements, and any announcements relating to the Group's financial performance; and (j) all interested person transactions. <p>The AC has authority to investigate any matter within its term of reference and have been given full access to the Management and reasonable resources to enable it to discharge its functions properly. The AC has full discretion to invite any Director or key management executive to attend its meetings.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																		
12.2	Are the members of the AC appropriately qualified to discharge their responsibilities?	<p>Yes, the Board had in FY2018 considered Mr. Yuen Sou Wai, who has extensive and practical accounting and financial management knowledge and experience, to be well qualified to chair the AC. Mr. Chong Chin Fan, a member of the AC, is also trained in accounting and financial management.</p> <p>The current AC comprises Mr. Wan Tai Foong (Chairman), Mr. Patrick Chee and Mr. Eric Low, all of whom are independent. All members of the AC do not have any management and significant or material business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.</p> <p>The AC members possess many years of experience in accounting, legal, business and financial management. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.</p>																		
12.5	Has the AC met with the auditors in the absence of key management personnel?	Yes, the AC has met with the IA and the EA once in the absence of key management personnel in FY2018.																		
12.6	Has the AC reviewed the independence of the EA?	The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.																		
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	<table border="1"> <thead> <tr> <th colspan="3">Table 12.6 (a) – Fees Paid/Payable to the EA for FY2018</th> </tr> <tr> <th></th> <th>S\$</th> <th>% of total</th> </tr> </thead> <tbody> <tr> <td>Audit fees</td> <td>94,300</td> <td>96</td> </tr> <tr> <td>Non-audit fees</td> <td></td> <td></td> </tr> <tr> <td>- Tax advice</td> <td>4,100</td> <td>4</td> </tr> <tr> <td>Total</td> <td>98,400</td> <td>100</td> </tr> </tbody> </table>	Table 12.6 (a) – Fees Paid/Payable to the EA for FY2018				S\$	% of total	Audit fees	94,300	96	Non-audit fees			- Tax advice	4,100	4	Total	98,400	100
Table 12.6 (a) – Fees Paid/Payable to the EA for FY2018																				
	S\$	% of total																		
Audit fees	94,300	96																		
Non-audit fees																				
- Tax advice	4,100	4																		
Total	98,400	100																		
	(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	The non-audit services rendered during FY2018 were not substantial.																		

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
12.7	Does the Company have a whistle-blowing policy?	Yes, the Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to whistle_blowing@OneApex.com.sg .
12.8	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	In FY2018, the AC was kept abreast by the EA of changes to accounting standards and issues which have a direct impact on financial statements.
Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	<p>The Company's internal audit function is outsourced to RSM Risk Advisory Pte. Ltd. that reports directly to the AC Chairman. The IA plans its internal audit schedules in consultation with the Management and its plans are submitted to the AC. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that the IA is adequately qualified (given, <i>inter alia</i>, its adherence to standards set by nationally or internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.</p> <p>The AC is satisfied that the IA is able to discharge its duties effectively based on the following considerations:</p> <ul style="list-style-type: none"> • with a team of between two (2) and five (5) staff led by their Practice Managing Partner with more than 20 years of relevant experience, the IA is adequately qualified and resourced; • the Internal Audit activities are conducted in accordance with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors; and • the IA has the appropriate standing in the Company in view of, <i>inter alia</i>, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC and management.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Shareholder Rights and Communication with Shareholders		
14.2	Are shareholders informed of the rules, including voting procedures, that govern general meetings of shareholders?	Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Results of voting are announced on a timely manner via SGXNET.
14.3	Are corporations which provide nominee or custodial services allowed to appoint more than two proxies?	The Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings.
15.1	Does the Company have an investor relations policy?	The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company has engaged Mileage Communications Pte Ltd on 7 December 2018 to assist the management in all aspects of investor relations matters.
15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Communication with shareholders is managed by the Board. All announcements are released via SGXNET, including the half-year and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, and announcement on acquisitions, corporate development and other material developments. The Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalist Rules. In addition, all shareholders will receive the Company's annual reports together with the notices of AGM, which are also accessible through SGXNET. The notice of AGM is also advertised in the newspapers.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company's Executive Directors and CFO are responsible for the Company's communication with shareholders, with the assistance of Mileage Communications Pte Ltd.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company will also conduct media interviews as and when appropriate to give shareholders and the public deeper insights of the Group's business and strategies when opportunities present themselves. Further, the Company may, if it considers necessary and appropriate, release press releases or organise media/analyst briefings to keep shareholders informed of its corporate development.
15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, <i>inter alia</i> , the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.
	Is the Company paying dividends for the financial year? If not, please explain why.	For FY2018, the Company has paid to the shareholders of the Company a special dividend of S\$0.35 per ordinary share on 10 May 2018 and an interim dividend of S\$0.10 per ordinary share on 12 October 2018.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.2 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	<p>The Constitution allows for absentia voting subject to Directors' approval and implementation. However, due to security issues including but not limited to the authentication of shareholder identity information, the Directors have not approved the implementation of absentia voting.</p> <p>The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. Along with the Directors, the CFO will also be present and available to address shareholders' queries.</p> <p>Matters which require shareholders' approval were presented and proposed as a separate resolution. The Company practises having separate resolutions at general meetings for each distinct issue. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.</p> <p>All minutes of general meetings, including substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management will be made available to shareholders upon their request.</p>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
COMPLIANCE WITH APPLICABLE CATALIST RULES		
712, 715, or 716	Appointment of Auditors	The Company confirms its compliance with Catalist Rules 712 and 715.
1204(8)	Material Contracts	There were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2018 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	<p>The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems in FY2018 were adequate and effective based on the following:</p> <ul style="list-style-type: none"> • framework of risk management control and internal controls established and maintained by the Group; • work performed by the IA and EA; • assurance from the Managing Director and CFO; and • reviews performed by the various Board Committees and the Management.
1204(17)	Interested Persons Transaction ("IPT")	The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted at arm's length basis and will not be prejudicial to the interests of the Company and its minority shareholders. There were no interested person transactions entered into during FY2018.
1204(19)	Dealing in Securities	The Company has adopted an internal compliance code to guide and advise Directors and all executives of the Company with regard to dealing in the Company's securities. The Company, Directors and executives shall not deal in the Company's shares on short-term considerations or if they are in possession of price sensitive information and during the period commencing one (1) month prior to each announcement of half-year and full-year financial results by the Company and ending on the date of the announcement of the results. Directors and senior management are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods.
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2018.

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of the Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Date of Initial Appointment	20 November 2018	20 November 2018	20 November 2018	20 November 2018	20 November 2018	29 December 2018
Date of last re-appointment (if applicable)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Age	55	64	50	57	32	39
Country of principal residence	Singapore	Singapore	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Zachary Tan as the Non-Executive Chairman was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Zachary Tan's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Patrick Chee as the Lead Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Patrick Chee's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Wan as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Wan's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Eric Low as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Eric Low's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Alex Tan as the Executive Director and CEO was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Alex Tan's qualifications, past experience and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Lawrence Chiu as the Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Lawrence Chiu's qualifications, past experience and overall contribution since he was appointed as a Director of the Company.

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Whether appointment is executive, and if so, the area of responsibility	No	No	No	No	Executive. Mr. Alex Tan is responsible for the overall management, operations, strategic planning and business expansion of the Group and overseeing the day-to-day operations of the Group.	Executive. Mr. Lawrence Chiu is responsible for the overall management, operations, strategic planning and business expansion of the Group and will head the Financial Investments Services division of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Non-Independent Chairman and a member of the Risk Committee.	Lead Independent Director, Chairman of the RC and a member of the AC, NC and Risk Committee	Independent Director, Chairman of the AC and a member of the NC, RC and Risk Committee	Independent Director, Chairman of the NC and a member of the AC, RC and Risk Committee	Executive Director and CEO, Chairman of the Risk Committee and a member of the NC	Executive Director and a member of the NC and Risk Committee
Professional qualifications	<ul style="list-style-type: none"> Bachelor of Business Administration in Project Management Diploma in Construction Law 	Bachelor of Law (Hons)	<ul style="list-style-type: none"> Bachelor of Commerce Certified Public Accountant Australia 	<ul style="list-style-type: none"> Bachelor of Business Administration Master of Business Administration 	<ul style="list-style-type: none"> Bachelor of Business Administration in Hospitality Management Diploma in Information Technology 	<ul style="list-style-type: none"> Bachelor of Mechanical & production Engineering

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Working experience and occupation(s) during the past 10 years	<p>2013 to Present: Micro Project Management LLP - Project Director</p> <p>2007 to 2013: Fission Development Pte. Ltd. - Project Director</p>	<p>2008 to Present: KhattarWong LLP – Senior Consultant</p>	<p>2010 to present: Qi Capital Pte. Ltd. - Chief Executive Officer</p> <p>2009 to 2009: Rabobank Singapore - Director</p> <p>2004 to 2009: Kim Eng Corporate Finance Pte. Ltd. – Director</p>	<p>February 2017 to July 2018: Prime Asia Asset Management Pte. Ltd. - Director, Head of Product and Partnership</p> <p>May 2011 to February 2013: CIMB Securities (Singapore) Pte. Ltd. - Vice President, Product and Advisory, Product and Financial Services</p> <p>October 2005 to April 2010: Oversea-Chinese Banking Corporation Limited - Vice President, Investment Advisory - Head, Treasury Products Sales and Support - Vice President, Business Development and Network Strategy, Head - Wealth Management China</p>	<p>2018 to 19 November 2018: Yi Kai Group - Director of Business Development</p> <p>2016 to 2018: Prime Asia Asset Management Pte. Ltd. - Chief Operation Officer</p> <p>2014 to 2016: Yi Kai Group - General Manager</p> <p>2013 to 2014: Pan Pacific Hotels Group - Assistant Manager</p> <p>2012 to 2013: The St. Regis Singapore - Analyst</p> <p>2010 to 2012: Raffles Hotel Beijing - Management Trainee</p>	<p>September 2013 to 28 December 2018: Nomura Singapore Limited – Director of Wealth Management</p> <p>April 2011 to September 2013: UBS Group AG - Associate Director, Private Banking</p> <p>August 2008 to April 2011: United Overseas Bank Limited - Vice President, Privilege Banking Reserve</p>

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Shareholding interest in the listed issuer and its subsidiaries	No	No	No	No	Yes. Mr. Alex Tan owns 50% of the issued share capital of Goldhill Trust Pte. Ltd. As such, Mr. Alex Tan is deemed to be interested in the shares of the Company owned by Goldhill Trust Pte. Ltd. pursuant to Section 7 of the Companies Act (Chapter 50) of Singapore.	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Micro Project Management LLP provides project management services to Yi Kai Development Pte. Ltd., a company of which Mr. Tan Koo Chuan is a shareholder and director. Mr. Tan Koo Chuan is the father of Mr. Alex Tan, who is a Director and controlling shareholder of the Company.	Nil	Nil	Nil	Goldhill Trust Pte. Ltd. holds 62,466,590 shares, which represents 73.93% of the issued share capital of the Company as at 8 January 2019. Mr. Tan Theng Hong, Amos, is the brother of Mr. Alex Tan. Both Mr. Tan Theng Hong, Amos and Mr. Alex Tan are directors and each owns 50% of the issued share capital of Goldhill Trust Pte. Ltd., which is currently the controlling shareholder of the Company holding 62,466,590 shares, which represents 73.93% of the issued share capital of the Company.	Nil

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships#						
* "Principal Commitments" has the same meaning as defined in the Code - "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.						
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)						
Past (for the last 5 years)	Past Principal Commitment: <ul style="list-style-type: none"> Project Director of Fission Development Pte. Ltd. 	Past Directorships: <ul style="list-style-type: none"> Ramba Energy Limited Hanwell Holdings Limited Tat Seng Packaging Group Ltd. CSC Holdings Limited Hengxin Technology Ltd. 	Past Directorships: <ul style="list-style-type: none"> Accrelist Ltd. 	Past Principal Commitment: <ul style="list-style-type: none"> Director, Head of Product and Partnership of Prime Asia Asset Management Pte. Ltd. Past Directorships: <ul style="list-style-type: none"> Prime Asia Asset Management Pte. Ltd. 	Past Principal Commitment: <ul style="list-style-type: none"> Director and General Manager of Yi Kai Group Chief Operation Officer of Prime Asia Asset Management Pte. Ltd. Assistant Manager of Pan Pacific Hotels Group Past Directorships: <ul style="list-style-type: none"> Profusion Singapore Pte. Ltd. (Struck-off) Plutus Unified Pte. Ltd. Singa Thai Development Pte. Ltd. 	Past Principal Commitment: <ul style="list-style-type: none"> Director of Wealth Management in Nomura Singapore Limited Past Directorships: <ul style="list-style-type: none"> Buildinc Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Present	Present Principal Commitment: <ul style="list-style-type: none"> Project Director of Micro Project Management LLP 	Present Directorships: <ul style="list-style-type: none"> China International Holdings Limited Hai Leck Holdings Limited MeGroup Ltd. Principal Commitment: <ul style="list-style-type: none"> Senior Consultant of KhattarWong LLP Legal Advisor of: <ul style="list-style-type: none"> Singapore Foochow Association Foochow Restaurant and Bar Merchants Association, Singapore Hospitality Purchasing Association, Singapore Rong Lian Physical Association 	Present Directorships: <ul style="list-style-type: none"> Qi Capital Pte. Ltd. Ace Frontier Investments Ltd Principal Commitment: <ul style="list-style-type: none"> Chief Executive Officer of Qi Capital Pte. Ltd. 	Present Directorship: <ul style="list-style-type: none"> China Gaoxian Fibre Fabric Holdings Ltd. 	Present Directorships: <ul style="list-style-type: none"> Reagle Investment Holdings Pte. Ltd. FG Resource Pte. Ltd. GS Resource Pte. Ltd. OneWealth Capital Pte. Ltd. Aston Holdings Pte. Ltd. A28 Holdings Pte. Ltd. A28 Hospitality Pte. Ltd. A28 Management Pte Ltd T.Global Holdings Pte. Ltd. Goldhill Trust Pte. Ltd. 	Present Directorship: <ul style="list-style-type: none"> OneWealth Development Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.						
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No	No

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Disclosure applicable to the appointment of Director only						
Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No) If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	No The Company will arrange for Mr. Zachary Tan to attend relevant briefing and training in relation to the roles and responsibilities of a director of a Singapore Public Listed Company conducted by the Singapore Institute of Directors.	Yes <ul style="list-style-type: none"> China International Holdings Limited Hai Leck Holdings Limited Ramba Energy Limited MeGroup Ltd. Hanwell Holdings Limited Tat Seng Packaging Group Ltd CSC Holdings Limited Hengxin Technology Ltd. Singapore Myanmar Investco Limited 	Yes Accrellist Ltd	Yes China Gaoxian Fibre Fabric Holdings Ltd.	No Mr. Alex Tan has attended the following courses conducted by the Singapore Institute of Directors: <ul style="list-style-type: none"> LED 2 - Board Dynamics LED 3 - Board Performance CGR – Annual Corporate Governance Roundup The Company will arrange for Mr. Alex Tan to attend other relevant briefing and training in relation to the roles and responsibilities of a director of a Singapore Public Listed Company conducted by the Singapore Institute of Directors.	No Mr. Lawrence Chiu has attended the following courses conducted by the Singapore Institute of Directors: <ul style="list-style-type: none"> LED 2 - Board Dynamics LED 3 - Board Performance CGR - Annual Corporate Governance Roundup Singapore Directorship Report & CG Guides The Company will arrange for Mr. Lawrence Chiu to attend other relevant briefing and training in relation to the roles and responsibilities of a director of a Singapore Public Listed Company conducted by the Singapore Institute of Directors.

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of Catalyst Rules

Disclosure applicable to the appointment of Director only						
Name of Director	Mr. Zachary Tan	Mr. Patrick Chee	Mr. Wan Tai Foong	Mr. Eric Low	Mr. Alex Tan	Mr. Lawrence Chiu
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable, this is a re-election of a director.	Not applicable, this is a re-election of a director.	Not applicable, this is a re-election of a director.	Not applicable, this is a re-election of a director.	Not applicable, this is a re-election of a director.	Not applicable, this is a re-election of a director.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended September 30, 2018.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 64 to 122 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at September 30, 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Zachary Tan Lian Chye	(Appointed on November 20, 2018)
Tan Pei Hong, Alex (Chen Peifang)	(Appointed on November 20, 2018)
Chee Teck Kwong Patrick	(Appointed on November 20, 2018)
Low Chin Parn Eric	(Appointed on November 20, 2018)
Wan Tai Foong	(Appointed on November 20, 2018)
Chiu Joon Sun (Zhao Junsheng)	(Appointed on December 29, 2018)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the Share Options and Share Scheme mentioned in paragraphs 4 and 5 of the Directors' Statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year and their interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act are as follows:

Name of directors and companies in which interests are held	Shareholdings registered in the name of directors	
	At beginning of year	At end of year
<u>The Company</u> (Ordinary shares)		
Chew Eng Hoe (Resigned on November 20, 2018)	343,350	343,350
Chew Chee Bin (Resigned on November 20, 2018)	351,025	351,025
Chew Chee Keong (Resigned on November 20, 2018)	597,025	597,025
<u>Fenghe Investment Holding Pte. Ltd.</u> (Ordinary shares)		
Chew Eng Hoe (Resigned on November 20, 2018)	2,266	2,266

DIRECTORS' STATEMENT

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

The directors' interests in the shares of the Company as at October 21, 2018 were the same at September 30, 2018.

By virtue of Section 7 of the Companies Act, Mr. Chew Eng Hoe is deemed to have an interest in the shares held by the Company in all its subsidiary corporations.

4 SHARE OPTIONS

The Chew's Employee Share Option Scheme (The "Scheme")

- (i) The Scheme in respect of unissued shares in the Company was approved by the shareholders of the Company at an Extraordinary General Meeting held on January 19, 2011.
- (ii) The Scheme is administered by the Remuneration Committee who were appointed on November 20, 2018:

Chee Teck Kwong Patrick (Chairman)
Low Chin Parn Eric
Wan Tai Fong

Prior to November 20, 2018, the Remuneration Committee comprising Mr. Chong Chin Fan (Chairman), Dr. Choo Boon Seng, Mr. Yuen Sou Wai and Mr. Chew Chee Keong.

- (iii) Options entitlements

Under the Scheme, the number of shares comprised in any options to be offered to a participant shall be determined by the Remuneration Committee, in their absolute discretion. The Remuneration Committee shall consider criteria such as dedication, loyalty, past performance, and contribution to the Company of that participant.

- (iv) Options, exercise period and exercise price

The options that are granted under the Scheme may have exercise prices that are, at the discretion of the Remuneration Committee:

- (a) set at a discount to a price ("Market Price") equal to the average of the last dealt prices for the shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five (5) consecutive market days immediately preceding the relevant date of grant of the relevant option of a share subject to a maximum discount of 20%; or
- (b) fixed at Market Price.
- (v) During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.
- (vi) During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.
- (vii) At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

DIRECTORS' STATEMENT

5 SHARE SCHEME

The Chew's Performance Share Plan (The "Share Plan")

- (i) The Share Plan was approved and adopted by the shareholders of the Company at an Extraordinary General Meeting held on January 19, 2011.
- (ii) The Share Plan is administered by the Remuneration Committee.
- (iii) A participant's award under the Share Plan will be determined at the sole discretion of the Remuneration Committee. In considering the award to be granted to a participant, the Remuneration Committee may take into account, inter alia, the participant's performance during the relevant period, and his capability, creativity, entrepreneurship, innovativeness, scope of responsibility and skill set.
- (iv) Awards granted under the Share Plan are performance related and will typically vest only after the satisfactory completion of a further period of service beyond the performance target completion date. No minimum vesting periods are prescribed under the Share Plan, and the length of the vesting period(s) is determined on a case-by-case basis.
- (v) The total number of new shares which may be issued or shares which may be delivered pursuant to awards granted under the Share Plan, when added to the total number of new shares issued and issuable or existing shares delivered and deliverable in respect of:
 - a. all awards granted under the Share Plan;
 - b. all options granted the Chew's Employee Share Option Scheme; and
 - c. all shares, options, or awards granted under any other share scheme of the Company then in force, shall not exceed 15% of the issued capital of the Company (excluding treasury shares) on the day preceding the relevant date of award.
- (vi) At the end of the financial year, no awards have been granted under the Share Plan.

6 AUDIT COMMITTEE

The Audit Committee of the Company, consisted all non-executive directors, was chaired by Mr. Yuen Sou Wai, an independent director, and included Mr. Chong Chin Fan and Dr. Choo Boon Seng, both independent directors. This Audit Committee had met two times before a new audit committee took over on November 20, 2018 since the last Annual General Meeting ("AGM") and had reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- (a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;
- (c) the audit plans of the external auditors;
- (d) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group; and
- (e) the co-operation and assistance given by the management to the Group's external auditors.

DIRECTORS' STATEMENT

6 AUDIT COMMITTEE (cont'd)

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The new Audit Committee of the company, consisting all non-executive directors, is chaired by Mr. Wan Tai Foong, an independent director, and includes Mr. Chee Teck Kwong Patrick, and Mr. Low Chin Parn Eric, both independent directors. The new Audit Committee has met once since the last AGM and has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company. The new Audit Committee has reviewed the financial statements of the Company and consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....
Zachary Tan Lian Chye

.....
Tan Pei Hong, Alex (Chen Peifeng)

December 31, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHEW'S GROUP LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Chew's Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at September 30, 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 122.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at September 30, 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHEW'S GROUP LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matter:

Key Audit Matter	Our audit performed and responses thereon
<p>Disposal of subsidiaries and discontinued operations (Note 31 and 32 to the financial statements)</p> <p>On April 20, 2018, the Group completed the disposal of four wholly-owned subsidiaries, namely, Chew's Agriculture Pte Ltd, Chew's Engineering Services Pte Ltd, Chew's Group Investment Pte Ltd and Chew's Group Marketing Pte Ltd ("Disposal Group") to a third party, for a total of \$12.5 million, which includes the cash and bank balances of the four subsidiaries amounting to \$1.5 million as at March 31, 2018 retained by the Group.</p> <p>Management has assessed that the Company lost control of the Disposal Group on disposal date on April 20, 2018. The results of the Disposal Group until disposal date have been consolidated and reported as part of discontinued operations in accordance with FRS 105 <i>Non-current Asset Held for Sale and Discontinued operations</i> in the consolidated profit or loss and other comprehensive income for the year ended September 30, 2018.</p> <p>Management has derecognised all assets and liabilities of the Disposal Group and recognised loss on disposal amounting to approximately \$2.8 million for the year ended September 30, 2018.</p> <p>In accordance with FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>, the Group is required to present and disclose information that enables users of the financial statements to evaluate the financial effects of discontinued operations and Disposal Group.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> (a) Read the sale and purchase agreement to understand the details of the disposal, including consideration, conditions of completion and to determine the date of disposal; (b) Determined that the financial statement items are appropriately classified as discontinued operations by performing cut-off procedures on financial statement items at the date of disposal; (c) Re-computed the gain or loss on disposal of the subsidiaries; and (d) Checked the appropriateness of the disclosures of the discontinued operations in the financial statements in accordance with FRS 105 Non-current assets held for sale and discontinued operations in Note 31 and 32 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHEW'S GROUP LIMITED

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHEW'S GROUP LIMITED

Auditor's Responsibility for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Cheung Pui Yuen.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

December 31, 2018

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	Group		Company	
		2018	2017	2018	2017
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and bank balances	7	22,580,263	44,931,910	22,311,609	3,071,802
Trade receivables	8	1,013,621	5,250,228	–	–
Other receivables	9	84,581	411,702	17,580	985,051
Inventories	10	61,975	1,394,103	–	–
Total current assets		23,740,440	51,987,943	22,329,189	4,056,853
Non-current assets					
Other receivables	9	–	149,165	–	–
Property, plant and equipment	11	111,111	3,605,566	–	17,700
Land use rights	12	–	3,912,044	–	–
Biological assets	13	–	7,634,065	–	–
Investment in subsidiary corporations	14	–	–	1	10,283,720
Total non-current assets		111,111	15,300,840	1	10,301,420
Total assets		23,851,551	67,288,783	22,329,190	14,358,273
LIABILITIES AND EQUITY					
Current liabilities					
Current portion of bank loans	15	–	1,081,394	–	–
Trade payables	16	387,443	1,984,616	–	8,688
Other payables	17	9,124,718	8,157,653	8,678,975	560,312
Current portion of finance leases	18	–	171,742	–	–
Income tax payable		7,004	703,057	–	–
Total current liabilities		9,519,165	12,098,462	8,678,975	569,000
Non-current liabilities					
Bank loans	15	–	12,800	–	–
Other payables	17	31,353	390,190	–	–
Finance leases	18	–	33,831	–	–
Deferred tax liabilities	19	8,204	15,981	–	–
Total non-current liabilities		39,557	452,802	–	–

STATEMENTS OF FINANCIAL POSITION (cont'd)

AS AT SEPTEMBER 30, 2018

Note	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Capital, reserves and non-controlling interests				
Share capital	20	13,292,106	13,292,106	13,292,106
Capital reserve		1,527	–	–
Foreign exchange translation deficit		(17,290)	–	–
Retained earnings		966,493	358,109	497,167
Equity attributable to owners of the Company		14,242,836	13,650,215	13,789,273
Non-controlling interests		49,993	–	–
Total equity		14,292,829	13,650,215	13,789,273
Total liabilities and equity		23,851,551	22,329,190	14,358,273

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED SEPTEMBER 30, 2018

	Note	Group	
		2018	2017
		\$	\$
Continuing operations			
Revenue	21	3,291,617	2,634,262
Other income	22	111,237	20,485
Changes in inventories		18,606	(6,137)
Purchase of materials		(1,479,487)	(439,188)
Employee benefits expense		(1,341,138)	(1,169,972)
Depreciation expense		(56,221)	(11,520)
Rental expenses		(148,764)	(59,937)
Other operating expenses	23	(935,052)	(792,184)
(Loss) Profit before tax from continuing operations		(539,202)	175,809
Income tax expense	24	(33,993)	(46,435)
(Loss) Profit for the year from continuing operations, net of tax		(573,195)	129,374
Discontinued operations			
(Loss) Profit for the year from discontinued operations	31	(1,425,704)	3,317,910
(Loss) Profit for the year	25	(1,998,899)	3,447,284

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

YEAR ENDED SEPTEMBER 30, 2018

	Group	
Note	2018	2017
	\$	\$
Other comprehensive income (loss):		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operation	799	(8,695)
	799	(8,695)
Other comprehensive income (loss) for the year, net of tax	799	(8,695)
Total comprehensive (loss) income for the year	(1,998,100)	3,438,589
Profit attributable to:		
Owners of the Company		
(Loss) Profit from continuing operations, net of tax	(591,318)	103,521
(Loss) Profit from discontinued operations, net of tax	(1,425,704)	3,317,910
	(2,017,022)	3,421,431
Non-controlling interests		
Profit from continuing operations, net of tax	18,123	25,853
	(1,998,899)	3,447,284
Total comprehensive income attributable to:		
Owners of the Company		
Total comprehensive (loss) income from continuing operations, net of tax	(590,519)	94,826
Total comprehensive (loss) income from discontinued operations, net of tax	(1,425,704)	3,317,910
	(2,016,223)	3,412,736
Non-controlling interests		
Total comprehensive income from continuing operations, net of tax	18,123	25,853
	(1,998,100)	3,438,589
Basic and diluted (loss) earnings per share from continuing operations (cents)	26	0.12
	(0.70)	0.12
Basic and diluted (loss) earnings per share from continuing and discontinued operations (cents)	26	4.05
	(2.39)	4.05

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED SEPTEMBER 30, 2018

	Share capital	Capital reserve	Foreign exchange translation deficit	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
Note	\$	\$	\$	\$	\$	\$	\$
<u>Group</u>							
Balance at October 1, 2016	13,292,106	1,527	(9,394)	38,422,714	51,706,953	6,017	51,712,970
Total comprehensive income for the year:							
Profit for the year	-	-	-	3,421,431	3,421,431	25,853	3,447,284
Other comprehensive loss for the year	-	-	(8,695)	-	(8,695)	-	(8,695)
Total	-	-	(8,695)	3,421,431	3,412,736	25,853	3,438,589
Transactions with owners, recognised directly in equity:							
Dividends paid	-	-	-	(414,040)	(414,040)	-	(414,040)
Balance at September 30, 2017	13,292,106	1,527	(18,089)	41,430,105	54,705,649	31,870	54,737,519

STATEMENTS OF CHANGES IN EQUITY (cont'd)

YEAR ENDED SEPTEMBER 30, 2018

	Share capital	Capital reserve	Foreign exchange translation deficit	Retained earnings	Attributable to owners of the Company	Non- controlling interests	Total
Note	\$	\$	\$	\$	\$	\$	\$
<u>Group (cont'd)</u>							
Balance at October 1, 2017	13,292,106	1,527	(18,089)	41,430,105	54,705,649	31,870	54,737,519
Total comprehensive income for the year:							
(Loss) Profit for the year	-	-	-	(2,017,022)	(2,017,022)	18,123	(1,998,899)
Other comprehensive income for the year	-	-	799	-	799	-	799
Total	-	-	799	(2,017,022)	(2,016,223)	18,123	(1,998,100)
Transactions with owners, recognised directly in equity:							
Dividends declared	27	-	-	(38,446,590)	(38,446,590)	-	(38,446,590)
Balance at September 30, 2018	13,292,106	1,527	(17,290)	966,493	14,242,836	49,993	14,292,829

STATEMENTS OF CHANGES IN EQUITY (cont'd)

YEAR ENDED SEPTEMBER 30, 2018

	Share capital	Retained earnings	Total
	\$	\$	\$
<u>Company</u>			
Balance at October 1, 2016	13,292,106	528,339	13,820,445
Profit for the year, representing total comprehensive income for the year	–	382,868	382,868
Dividends paid, representing transactions with owners recognised directly in equity (Note 27)	–	(414,040)	(414,040)
Balance at September 30, 2017	13,292,106	497,167	13,789,273
Profit for the year, representing total comprehensive income for the year	–	38,307,532	38,307,532
Dividends declared, representing transactions with owners recognised directly in equity (Note 27)	–	(38,446,590)	(38,446,590)
Balance at September 30, 2018	<u>13,292,106</u>	<u>358,109</u>	<u>13,650,215</u>

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2018

Note	Group	
	2018	2017
	\$	\$
Operating activities		
(Loss) Profit before income tax from continuing operations	(539,202)	175,809
(Loss) Profit before income tax from discontinued operations	(832,966)	4,096,822
(Loss) Profit before income tax from continuing and discontinued operations	(1,372,168)	4,272,631
Adjustments for:		
Interest expense	18,029	42,195
Interest income	(272,630)	(351,917)
Biological assets written off, net	884,952	1,277,736
Depreciation of property, plant and equipment	152,410	317,934
Amortisation of land use rights	59,796	136,467
Amortisation of biological assets	8,210,681	15,165,649
Allowance for doubtful trade receivables, net	11,297	754
(Gain) Loss on disposal of land use rights, property, plant and equipment, net	(5,787)	2,438
Property, plant and equipment written off	22,459	–
Government grant income	(159,629)	(277,803)
Loss on disposal of investments in subsidiaries	2,762,645	–
Operating cash flows before movements in working capital	10,312,055	20,586,084
Trade receivables	539,733	(762,154)
Other receivables	(689,185)	(56,238)
Inventories	(324,108)	(194,110)
Trade payables	1,651,169	166,802
Other payables	(179,176)	97,970
Cash generated from operations	11,310,488	19,838,354
Interest paid	(18,029)	(42,195)
Income tax paid	(254,863)	(2,176,580)
Net cash from operating activities	11,037,596	17,619,579

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

YEAR ENDED SEPTEMBER 30, 2018

	Note	Group	
		2018	2017
		\$	\$
Investing activities			
Proceeds from disposal of land use rights, property, plant and equipment		20,921	11,090
Purchases of property, plant and equipment (Note A)		(138,287)	(100,767)
Deposits for property, plant and equipment		–	(112,027)
Proceeds from disposal of biological assets		249,496	575,344
Purchases of biological assets		(9,956,831)	(17,693,320)
Disposal of subsidiaries	32	6,489,267	–
Interest received		272,630	351,917
Net cash used in investing activities		(3,062,804)	(16,967,763)
Financing activities			
Repayments of bank loans		(224,594)	(427,962)
Repayments of obligation under finance leases		(106,963)	(179,225)
Decrease (Increase) in pledged fixed deposits		102,942	(359)
Dividends paid		(29,996,790)	(414,040)
Net cash used in financing activities		(30,225,405)	(1,021,586)
Net decrease in cash and cash equivalents		(22,250,613)	(369,770)
Cash and cash equivalents at beginning of the year		44,828,968	45,207,332
Effects of exchange rate changes on the balance of cash held in foreign currencies		1,908	(8,594)
Cash and cash equivalents at end of the year (Note 7)		22,580,263	44,828,968

Note A:

The Group acquired certain property, plant and equipment at an aggregate cost of \$76,000 (2017: nil) under finance leases and there was prepayment amounting to \$72,384 made for these property, plant and equipment in 2017.

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

1 GENERAL

The Company (Registration No. 201020806C) is incorporated in the Republic of Singapore with its principal place of business at 38 Jalan Pemimpin #06-06 Singapore 577178 and registered office at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary corporations are disclosed in Note 14 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended September 30, 2018 were authorised for issue by the Board of Directors of the Company on December 31, 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS - On October 1, 2017, the Group and the Company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except for certain presentation improvements arising from Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*.

Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes.

The Group's liabilities arising from financing activities and a reconciliation between the opening and closing balances of these liabilities are set out in Note 18. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior period. Apart from the additional disclosure in Note 18, the application of these amendments had no impact on the Group's consolidated financial statements.

Adoption of a new financial reporting framework in 2018

In December 2017, the Accounting Standards Council (ASC) has issued a new financial reporting framework - Singapore Financial Reporting Standards (International) (SFRS(I)), which is to be adopted by Singapore-incorporated companies listed on the Singapore Exchange (SGX), for annual periods beginning on or after January 1, 2018. SFRS(I) is identical to the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group and the Company will be adopting the new framework for the first time for financial year ending September 30, 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* will be applied in the first set of SFRS(I) financial statements.

SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

As a first-time adopter, the Group and the Company are to apply retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (September 30, 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ending September 30, 2019, an additional opening statement of financial position as at date of transition (October 1, 2017) will be presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are required for equity as at date of transition (October 1, 2017) and as at end of last financial period under FRS (September 30, 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended September 30, 2018). Additional disclosures may also be required for specific transition adjustments if applicable.

Management has performed a detailed analysis of the transition options and other requirements of SFRS(I) and has determined that there will be no change to the Group's and the Company's current accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those that may arise from implementing certain new SFRS(I) pronouncements effective at the same time (see below).

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

As SFRS(I) 1 requires a first-time adopter to apply accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (September 30, 2019), it is not possible to know all possible effects as at date of authorisation of current year's financial statements. If there are any subsequent pronouncements on SFRS(I) that are effective as at September 30, 2019, they may impact the disclosures of estimated effects described below.

New SFRS(I) that may have impact

The following SFRS(I) pronouncements are expected to have an impact to the Group and the Company in the periods of their initial application under the new SFRS(I) framework:

Effective for annual periods beginning on or after January 1, 2018

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*

Effective for annual periods beginning on or after January 1, 2019

- SFRS(I) 16 *Leases*

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

Key requirements of SFRS(I) 9:

- All recognised financial assets that are within the scope of SFRS(I) 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under SFRS(I) 9, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.
- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, SFRS(I) 9 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model to be applied. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms. Under SFRS(I) 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management has performed an analysis of the requirements of the initial application of the new SFRS(I) 9 and has anticipated that the adoption of SFRS (I) 9 will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption, other than additional enhanced disclosures, and the change to recognition and measurement policies for recognising impairment losses for financial assets based on expected credit losses model.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by SFRS(I) 15.

Management anticipates that the initial adoption of SFRS (I) 15 will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption other than additional enhanced disclosures.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

SFRS(I) 16 Leases

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

As at September 30, 2018, the Group has non-cancellable operating commitments of \$257,387 (2017 : \$872,494). A preliminary assessment indicates that these arrangements will meet the definition of a lease under SFRS(I) 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have an impact on the amount recognised in the Group's consolidated financial statements and management is currently assessing its potential impact. It is not practicable to provide a reasonable financial estimate of the effect until the detailed review is completed. Management does not plan to early adopt the above SFRS(I) 16.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary corporations. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Consolidation of a subsidiary corporation begins when the Company obtains control over the subsidiary corporation and ceases when the Company loses control of the subsidiary corporation. Specifically, income and expenses of a subsidiary corporation acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary corporation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary corporations is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary corporations to bring their accounting policies into line with the Group's accounting policies.

Changes in the Group's ownership interests in subsidiary corporations that do not result in the Group losing control over the subsidiary corporations are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary corporations. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary corporation, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary corporation and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary corporation are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary corporation (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary corporation at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS (I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiary corporations are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's and Company's statement of financial position when the Group and Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial statements "at fair value through profit or loss".

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables, cash and bank balances) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS - Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The eggs are stated at fair value less cost to sell at the point of harvest, and subsequently accounted for as inventories in accordance with above.

BIOLOGICAL ASSETS - Biological assets are recognised when, and only when:

- (a) the Group controls the asset as a result of past events;
- (b) it is probable that future economic benefits associated with the asset will flow to the Group; and
- (c) the fair value or cost of the asset can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Biological assets include mature chickens and immature chickens kept by the Group for the production of eggs. A chicken is considered mature when it starts producing eggs at about 23 weeks old.

The chickens are measured at costs less accumulated amortisation and impairment losses as their fair value cannot be measured reliably. The chickens are subjected to amortisation when they are considered mature. They are being amortised on a reducing balance method over the estimated egg laying period of about 65 weeks (2017 : 65 weeks) and thereafter disposed at a residual value.

The gain or loss arising on the disposal of the biological assets is determined as the difference between the sales proceeds and the carrying amount of the biological assets and is recognised in profit or loss.

The costs of chickens consist of the initial purchase costs and accumulated costs of vaccine, chicken feed, medicine and other indirect overhead costs incurred to breed the chickens to a mature state and sustain its production capacity.

The estimated useful lives, residual values and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold building	-	47 years
Farm buildings	-	3.3 to 15 years
Plant, machinery and equipment	-	3.3 to 10 years
Office equipment	-	3.3 to 5 years
Motor vehicles	-	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

LAND USE RIGHTS - Prepaid land rental is accounted for as land use rights and amortised on a straight-line basis over the lease term of 30 years (2017 : 30 years).

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiary corporations operate by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION- The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign exchange translation deficit.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statement.

Valuation of biological assets

FRS 41 *Agriculture* states that "a biological asset should be measured on initial recognition and at the end of each reporting period at its fair value less estimated point-of-sale costs, except where the fair value cannot be measured reliably". Where the Group was concerned, the management assessed and determined that it was appropriate for the chickens to be carried at cost less accumulated amortisation given that market-determined prices or values were not available and alternative estimates of fair value were determined to be unreliable. The computation of the carrying amount of chickens involved management's estimation on the useful lives and residual values of the chickens. As at September 30, 2017, the carrying amount of chickens was disclosed in Note 13 to the financial statements. In 2018, the chickens were disposed with the sale of its subsidiary, Chew's Agriculture Pte Ltd ("CAPL").

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Recognition of government grant subject to conditions

In 2016, a deferred government grant of amount \$5.9 million was received from Agri-Food & Veterinary Authority of Singapore, as a financial assistance to the Group for the transition from the existing to new farm premise. The grant was subjected to the following conditions: (1) the new site has to be used for poultry farming for a period of 30 years commencing on May 27, 2016; and (2) a minimum production level of 9 million eggs per hectare per year, within 6 years from May 27, 2016 must be achieved. As at September 30, 2017, management was confident that both conditions can be fulfilled. In 2018, the government grant was transferred to the third party that acquired CAPL.

Recognition of rent-free period

In 2015, the management held discussions with the Singapore Land Authority ("SLA") and Agri-Food & Veterinary Authority of Singapore with respect to a possible redevelopment of Lim Chu Kang area where the chicken farms were located. In 2016, the Group transferred its existing land use rights, certain farm buildings and plant and equipment ("disposed assets") to SLA for a cash consideration of \$38.6 million.

In addition, the Group entered into a tenancy agreement with SLA to lease back the disposed assets for a period of 3 years till May 2019. Under this arrangement, the Group enjoys two and a half years of rent free period and the next half a year will be charged at one-third the prevailing market rent.

In 2017, management reached out to SLA to extend the lease to December 2019 in view of delay that is expected in moving to the new farm. As at the end of the reporting period in 2017, management and SLA have not reached an agreement. Accordingly, rental lease payments from June to December 2019 were not considered in determining the deferred rental liability in 2017.

Based on the above conditions, management recognised the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis as it was representative of the time pattern of the Group's benefit from the use of the leased assets in accordance with INT FRS 15 *Operating Leases - Incentives*.

Management also assessed that the Government had given a grant in the form of rent-free period and reduced market rental rate during the lease period. Such grant had been recognised in profit or loss over the period in which the Group recognised the rental expenses and had been presented as a net amount in the profit or loss.

In 2018, no further updates were received from SLA regarding the delay in relocating to the new farm location. The deferred rental liability amounted to \$244,138 (2017: \$175,002) before the disposal on April 20, 2018.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of biological assets

The Group assesses annually whether its biological assets have any indication of impairment in accordance with its accounting policy. In instances where there are indicators of impairment, the recoverable amounts of biological assets will be determined based on value-in-use calculations. These calculations require the use of management judgements and estimates. No provision for impairment is considered necessary at the end of the reporting period as no indication of impairment has been identified. As at September 30, 2017, the carrying amount of biological assets was disclosed in Note 13 to the financial statements. In 2018, the biological assets were disposed with the sale of CAPL.

Useful lives of biological assets

As described in Note 2, the Group reviews the estimated useful lives of biological assets at the end of the reporting period. Changes in the estimated egg laying period can impact the economic useful lives of these assets with consequential impact on the future amortisation charge. As at September 30, 2017, the carrying amount of biological assets was disclosed in Note 13 to the financial statements. In 2018, the biological assets were disposed with the sale of CAPL.

Useful lives of property, plant and equipment

As described in Note 2, the Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. Changes in the expected level and future usage can impact the economic useful lives of these assets with consequential impact on the future depreciation charge.

In 2017, management reassessed its relocation date, based on the current progress of the development of the new farm premise, and was of the view that the relocation date was likely to be December 2019. Accordingly, the estimated useful lives of the non-movable property, plant and equipment, had been revised as follows:

Farm buildings	–	from 3.2 years to 3.3 years
Plant, machinery and equipment	–	from 3.2 years to 3.3 years
Office equipment	–	from 3.2 years to 3.3 years

The financial impact of the change in the estimated useful lives of the property, plant and equipment on depreciation expenses for the year ended September 30, 2017 was \$12,000. Should the relocation date of the plant change, there would be a corresponding effect on the depreciation expense.

The carrying amounts of property, plant and equipment are disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment exhibit any indication of impairment. In instances where there are indications of impairment, the recoverable amounts of property, plant and equipment will be based on value-in-use calculations. These calculations require the use of management judgement and estimates.

In 2017, in relation to the property, plant and equipment used for chicken soup processing, management was of the view that it was not impaired as it was still in the infancy stage of setting up and hence, it was premature to assess whether the property, plant and equipment was impaired. The Group prepared cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolated cash flows for the following five years based on an estimated long-term growth rate of 2%. This rate did not exceed the average long-term growth rate for the relevant markets. The pre-tax rate used to discount the forecast cash flows was 8.1%.

Based on the value in use calculations as determined by management, possible increase or decrease to the following estimates used in management's assessment would impact the impairment loss as follows:

- (a) a 50 basis point increase in discount rate would result in impairment loss of \$158,000;
- (b) a 50 basis point decrease in long-term growth rate would result in impairment loss of \$99,000;
- (c) a 300 basis point decrease in year on year growth rate would result in impairment loss of \$273,000.

As at September 30, 2017, the carrying amounts of the Group's property, plant and equipment are disclosed in Note 11 to the financial statements. In 2018, the property, plant and equipment used for chicken soup processing were disposed with the sale of CAPL.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets				
Loans and receivables	23,656,243	50,434,690	22,321,609	4,044,506
Financial liabilities				
Amortised cost	9,543,514	5,942,694	8,678,975	569,000

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives*

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. Risk management is carried out by the Board of Directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign exchange risk management

The Group transacts its business in other foreign currencies including the United States dollar, Euro, Malaysian ringgit and Hong Kong dollar and therefore is exposed to foreign exchange risk. The Group does not hedge against foreign exchange exposure as the currency risk is not expected to be significant.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group			
	Liabilities		Assets	
	2018	2017	2018	2017
	\$	\$	\$	\$
United States dollar	7,456	44,271	12,449	52,690
Euro	–	23,460	–	–
Malaysian ringgit	11,713	6,640	–	–
Hong Kong dollar	–	–	–	341,641

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the Singapore dollars. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currencies weaken by 10% against the functional currency of each group entity, the Group's loss before income tax will decrease (increase) by:

	2018	2017
	\$	\$
United States dollar	(499)	(842)
Euro	–	2,346
Malaysian ringgit	1,171	664
Hong Kong dollar	–	(34,164)

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

If the relevant foreign currencies strengthen by 10% against the functional currency of each group entity, the Group's loss before income tax will have an equal but opposite effect from the above.

As the Company does not hold significant foreign currency denominated monetary assets or liabilities as at September 30, 2018, no sensitivity analysis has been presented in the financial statements.

(ii) Interest rate risk management

Interest-bearing financial assets are mainly bank balances which are short-term in nature and bank deposits which are subject to fixed interest rates. Hence, financial assets do not result in significant interest rate risk.

The Group's exposures to interest rate risk mainly arose from bank loans bearing variable interest rates as at September 30, 2017.

The sensitivity analyses below have been determined based on the exposure to interest rates for these loans at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represented management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before income tax ended September 30, 2017 would decrease/increase by \$5,471.

No sensitivity analysis has been presented in 2018 as there are no bank loans bearing variable interest rates as at September 30, 2018.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the management periodically.

The Group's bank balances are held with creditworthy financial institutions.

Concentration of credit risk exists when economic, industry or geographical factors similarly affect the Group's counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group does not have any significant credit risk exposure to any single counterparty other than one major customer which contributes 72% (2017 : 38%) of total trade receivables. However, management believes that there is no significant credit risk. The Group defines counterparties as having similar characteristics if they are related entities.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The carrying amount of financial assets recorded in the consolidated financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Notes 8 and 9 to the financial statements respectively.

(iv) Liquidity risk management

Management is of the view that there is minimal liquidity risk as the Group maintains sufficient cash and cash equivalents and internally generated cash flows to finance their activities. If required, financing can be obtained from its existing lines of banking facilities.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

	Weighted average effective interest risk	On demand or within 1 year	Within 2 to 5 years	Adjustments	Total
	%	\$	\$	\$	\$
<u>Group</u>					
<u>2018</u>					
Non-interest bearing	–	9,512,161	31,353	–	9,543,514
<u>2017</u>					
Non-interest bearing	–	4,642,927	–	–	4,642,927
Variable interest rate instruments	2.62	1,149,544	12,861	(68,211)	1,094,194
Fixed interest rate instruments	2.86	176,454	35,001	(5,882)	205,573
		<u>5,968,925</u>	<u>47,862</u>	<u>(74,093)</u>	<u>5,942,694</u>

The Company's non-derivative financial liabilities of \$8,678,975 as at September 30, 2018 (2017: \$569,000) are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

Non-derivative financial assets

All financial assets in 2018 and 2017 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period other than cash and bank balances disclosed in Note 7 to the financial statements.

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

(c) **Capital management policies and objectives**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance, and to ensure that all externally imposed capital requirements are complied with. The Group's overall strategy remains unchanged from 2017.

The capital structure of the Group consists of debt, which includes bank loans, finance leases and equity, comprising issued capital and retained earnings.

The Group is not subject to any externally imposed capital requirements.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary corporation of Fenghe Investment Holding Pte. Ltd., incorporated in Singapore which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless stated otherwise.

Transaction with ultimate holding company is as follows:

	2018	2017
	\$	\$
Dividend paid to ultimate holding company	20,441,021	282,144

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year is as follows:

	Group	
	2018	2017
	\$	\$
Continuing operations		
Short-term benefits	1,127,798	709,319
Post-employment benefits	49,931	34,680
Total	1,177,729	743,999
Discontinued operations (Note 31)		
Short-term benefits	884,953	1,027,650
Post-employment benefits	75,730	85,521
Total	960,683	1,113,171

The remuneration of directors and key management is determined by the Board of Directors having regard to the performance of individuals and market trends.

7 CASH AND BANK BALANCES

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash at bank	22,580,263	44,828,968	22,311,609	3,071,802
Fixed deposits	–	102,942	–	–
Cash and bank balances	22,580,263	44,931,910	22,311,609	3,071,802
Less: Pledged fixed deposits	–	(102,942)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	22,580,263	44,828,968	22,311,609	3,071,802

The fixed deposits of \$102,942 in 2017 were pledged to a bank as security for banking facilities. The fixed deposits bore interest at an average effective interest rate at 0.35% per annum and had a tenure of 12 months.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

8 TRADE RECEIVABLES

	Group	
	2018	2017
	\$	\$
Outside parties	1,013,621	5,251,225
Allowance for doubtful trade receivables	–	(997)
	<u>1,013,621</u>	<u>5,250,228</u>

The average credit period on sales of goods is 30 days to 90 days (2017 : 30 days to 90 days). No interest is charged on the outstanding balances.

Before accepting any new customer, the Group assesses the potential customer's credit quality and define credit limit for each customer. Limits attributed to customers are reviewed periodically.

The table below is an analysis of the trade receivables as at the end of the reporting period:

	Group	
	2018	2017
	\$	\$
Not past due and not impaired	743,118	4,590,855
Past due but not impaired	270,503	659,373
Trade receivables not impaired	<u>1,013,621</u>	<u>5,250,228</u>
Impaired receivables	–	997
Less: Allowance for doubtful trade receivables	–	(997)
	<u>–</u>	<u>–</u>
Total trade receivables, net	<u>1,013,621</u>	<u>5,250,228</u>

The Group does not hold any collateral over these balances. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted to the reporting date. Accordingly, the management believes that there is no further credit provision required in excess of the allowance for doubtful trade receivables.

Aging profile of receivables that are past due but not impaired:

	Group	
	2018	2017
	\$	\$
< 3 months	<u>270,503</u>	<u>659,373</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

8 TRADE RECEIVABLES (cont'd)

Movement in the allowance for doubtful trade receivables:

	Group	
	2018	2017
	\$	\$
At beginning of year	997	1,179
Charged to profit or loss	11,297	754
Amounts written off during the year	–	(936)
Disposal	(12,294)	–
At end of year	–	997

9 OTHER RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Subsidiary corporations (Note 5)	–	–	–	971,705
Prepayments	22,222	159,150	7,580	12,347
Other deposits	62,359	351,005	10,000	–
Others	–	50,712	–	999
	84,581	560,867	17,580	985,051
Current	84,581	411,702	17,580	985,051
Non-current	–	149,165	–	–
	84,581	560,867	17,580	985,051

The non-current portion of other deposits pertained to deposits for property, plant and equipment. As at September 30, 2018 and September 30, 2017, other receivables are neither past due nor impaired.

10 INVENTORIES

	Group	
	2018	2017
	\$	\$
Agricultural produce:		
Eggs	24,486	121,841
Trading products	37,489	13,928
Chicken soup	–	1,355
Raw materials:		
Feeds	–	994,977
Vaccines and medicine	–	67,738
Packaging materials	–	194,264
	61,975	1,394,103

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

11 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold building	Farm Buildings	Plant, machinery and equipment	Office equipment	Motor vehicles	Total
Cost:						
At October 1, 2016	1,550,000	8,999,672	1,882,055	111,796	560,175	13,103,698
Additions	-	-	53,985	22,387	24,395	100,767
Disposals/Written off	-	(16,095)	(10,904)	(5,070)	(69,988)	(102,057)
Exchange differences	-	-	(379)	(76)	-	(455)
At September 30, 2017	1,550,000	8,983,577	1,924,757	129,037	514,582	13,101,953
Additions	-	-	164,667	35,908	112,311	312,886
Disposals/Written off	(1,550,000)	(8,983,577)	(1,932,974)	(152,814)	(626,892)	(13,246,257)
Exchange differences	-	-	216	41	(1)	256
At September 30, 2018	-	-	156,666	12,172	-	168,838
Accumulated depreciation:						
At October 1, 2016	96,188	7,898,450	551,036	32,762	273,919	8,852,355
Charge for the year	32,979	338,588	242,042	23,108	96,198	732,915
Disposals/Written off	-	(9,109)	(6,018)	(3,414)	(69,988)	(88,529)
Exchange differences	-	-	(336)	(18)	-	(354)
At September 30, 2017	129,167	8,227,929	786,724	52,438	300,129	9,496,387
Charge for the year	14,450	147,572	156,495	14,434	43,760	376,711
Disposals/Written off	(143,617)	(8,375,501)	(891,463)	(62,224)	(343,931)	(9,816,736)
Exchange differences	-	-	1,309	14	42	1,365
At September 30, 2018	-	-	53,065	4,662	-	57,727
Carrying amount:						
At September 30, 2018	-	-	103,601	7,510	-	111,111
At September 30, 2017	1,420,833	755,648	1,138,033	76,599	214,453	3,605,566

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment
	\$
<u>Company</u>	
Cost:	
At October 1, 2016, and September 30, 2017	33,188
Disposals/Written off At September 30, 2018	(33,188)
	<u>–</u>
Accumulated depreciation:	
At October 1, 2016	8,850
Charge for the year At September 30, 2017	6,638
Charge for the year Disposals/Written off At September 30, 2018	15,488
	3,872
	(19,360)
	<u>–</u>
Carrying amount:	
At September 30, 2018	<u>–</u>
At September 30, 2017	<u>17,700</u>

An amount of \$224,301 (2017 : \$414,981) of depreciation charge for the assets used in the production of eggs was capitalised and included in the carrying amount of biological assets in Note 13.

In 2017, certain of the Group's property, plant and equipment with carrying amount of \$519,399 and motor vehicles with carrying amount of \$80,266 were under finance lease obligations (Note 18). These assets were disposed in 2018 (Note 32).

In 2017, the Group pledged the leasehold building having a carrying amount of \$1,420,833 to secure banking facilities granted to the Group. The building and the associated banking facilities were disposed in 2018 (Note 32).

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

12 LAND USE RIGHTS

	Group	
	2018	2017
	\$	\$
Cost:		
At beginning of the year	4,094,000	4,094,000
Disposal	(4,094,000)	–
At end of the year	–	4,094,000
Accumulated amortisation:		
At beginning of the year	181,956	45,489
Amortisation for the year	59,796	136,467
Disposal	(241,752)	–
At end of the year	–	181,956
Carrying amount:		
At end of the year	–	3,912,044

13 BIOLOGICAL ASSETS

A reconciliation of the carrying amount of the biological assets is as follows:

	Group	
	2018	2017
	\$	\$
At beginning of year	7,634,065	6,544,493
Increase due to purchase/depreciation and amortisation charges capitalised (Notes 11 and 12)	10,181,132	18,108,301
Decrease due to amortisation	(8,210,681)	(15,165,649)
Decrease due to sales/write-off of biological assets	(1,134,448)	(1,853,080)
Disposal	(8,470,068)	–
At end of year	–	7,634,065
Biological assets comprise:		
Mature chickens	–	7,223,690
Immature chickens	–	410,375
Total	–	7,634,065

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

13 BIOLOGICAL ASSETS (cont'd)

	Mature	Immature	Total
	\$	\$	\$
<u>Group</u>			
Cost:			
At October 1, 2016	19,167,242	447,370	19,614,612
Additions	15,006,030	3,102,271	18,108,301
Transfers	3,008,415	(3,008,415)	–
Written off/Disposals	(20,969,424)	(130,851)	(21,100,275)
At September 30, 2017	16,212,263	410,375	16,622,638
Additions	8,968,268	1,212,864	10,181,132
Transfers	997,065	(997,065)	–
Written off/Disposals	(26,177,596)	(626,174)	(26,803,770)
At September 30, 2018	–	–	–
Accumulated amortisation:			
At October 1, 2016	13,070,119	–	13,070,119
Amortisation for the year	15,165,649	–	15,165,649
Written off/Disposals	(19,247,195)	–	(19,247,195)
At September 30, 2017	8,988,573	–	8,988,573
Amortisation for the year	8,210,681	–	8,210,681
Written off/Disposals	(17,199,254)	–	(17,199,254)
At September 30, 2018	–	–	–
Carrying amount:			
At September 30, 2018	–	–	–
At September 30, 2017	7,223,690	410,375	7,634,065

Biological assets were used in the production of eggs. As an active market does not exist for these chickens, these are stated at cost less accumulated amortisation and impairment losses.

Biological assets written off comprise degeneration costs as a result of the mortality of the chickens over their lives and from the sale of unproductive hens.

Biological assets amounting to \$8,470,068 was disposed with the sale of CAPL on April 20, 2018 (Note 32).

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

14 INVESTMENT IN SUBSIDIARY CORPORATIONS

	Company	
	2018	2017
	\$	\$
Unquoted equity shares, at cost	1	11,099,720
Less: Allowance for impairment loss	–	(816,000)
Carrying amount	1	10,283,720

Movement in allowance for impairment loss

	Company	
	2018	2017
	\$	\$
At beginning of year	816,000	816,000
Disposal	(816,000)	–
At end of year	–	816,000

In 2017, the Company carried out a review of the recoverable amounts of their investment in subsidiary corporations where there was continuing losses in one of the investments which had suffered an impairment loss in prior year. In 2017, management was of the view that the allowance for impairment loss of \$816,000 recognised was adequate.

The principal subsidiary corporations of the Company are as follows:

	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2018	2017	
		%	%	
Chew's Agriculture Pte Ltd ^{(a) (c)}	Singapore	–	100	Production and selling of eggs and trading of spent grains
Chew's Food International Limited ^(b)	Hong Kong	90	90	Trading of eggs
Chew's Group Marketing Pte Ltd ^{(a) (c)}	Singapore	–	100	Trading of food and agricultural products
Chew's Engineering Services Pte Ltd ^{(a) (c)}	Singapore	–	100	Provision of engineering, maintenance and construction services
Chew's Group Investment Pte Ltd ^{(a) (c)}	Singapore	–	100	Investment holding company

(a) Audited by Deloitte & Touche LLP, Singapore.

(b) Audited by Au & Partners, Hong Kong.

(c) As referred to in Note 32, the Group disposed these 4 subsidiaries on April 20, 2018.

At the end of the reporting period, the non-controlling interests are not significant to the Group.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

15 BANK LOANS

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Bank loans	–	1,094,194	–	–
Less: Amount due for settlement within 12 months (shown under current liabilities)	–	(1,081,394)	–	–
Amount due for settlement after 12 months	–	12,800	–	–

The Group had the following principal bank loans:

- There was a bank loan amounting to \$45,652 (2017 : \$90,949) before the disposal of its subsidiary, CAPL, on April 20, 2018. The loan was raised on November 14, 2014. Fixed monthly repayments commenced on December 14, 2014 and would continue until November 14, 2018. The loan carried a variable interest of 2.00% plus prevailing 3 months SIBOR rate. The average effective interest rate on the bank loan approximated 3.12% per annum in 2017. The loan was guaranteed by the Company prior to its disposal (Note 32).
- There was a bank loan amounting to \$128,762 (2017 : \$254,593) before the disposal of CAPL on April 20, 2018, guaranteed by the Company and raised on July 10, 2014. Fixed quarterly repayments commenced on October 31, 2014 and would continue until July 31, 2018. The loan carried a variable interest of 1.75% plus bank's prevailing cost of funds. The average effective interest rate on the bank loan approximated 3.401% per annum in 2017.
- There was a bank loan amounting to \$695,186 (2017 : \$748,652) before the disposal of CAPL on April 20, 2018 which was secured by mortgage over a property, guaranteed by the Company and raised on November 21, 2013. Fixed monthly repayments commenced on December 30, 2013 and would continue until November 30, 2025. The loan carried a variable interest of 1.3% plus bank's prevailing cost of fund. The average effective interest rate on the bank loan approximated 2.29% per annum in 2017.

The bank loans included restrictive covenants, including among others, changes in shareholding structure of CAPL, maintaining sufficient cash balances and net worth, selling assets and allowing new liens. If CAPL were to breach the covenants, the bank loans would become repayable on demand. The Group regularly monitors its compliance with the covenants. Up to the disposal of CAPL on April 20, 2018, none of the covenants were breached.

16 TRADE PAYABLES

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Outside parties	387,443	1,984,616	–	8,688

The average credit period of trade payables is 30 days to 60 days (2017 : 30 days to 90 days). No interest is charged on the outstanding balances.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

17 OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
Government grant deferred	–	5,889,532	–	–
Provision for reinstatement costs	26,215	–	–	–
Accruals	678,984	2,657,569	228,103	560,312
Dividends payable	8,449,800	–	8,449,800	–
Others	1,072	742	1,072	–
	<u>9,156,071</u>	<u>8,547,843</u>	<u>8,678,975</u>	<u>560,312</u>
Current	9,124,718	8,157,653	8,678,975	560,312
Non-current	31,353	390,190	–	–
	<u>9,156,071</u>	<u>8,547,843</u>	<u>8,678,975</u>	<u>560,312</u>

18 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2018	2017	2018	2017
	\$	\$	\$	\$
<u>Group</u>				
Amounts payable under finance leases:				
Within one year	–	176,454	–	171,742
In the second to fifth year inclusive	–	35,001	–	33,831
	–	<u>211,455</u>	–	<u>205,573</u>
Less: Future finance charges	–	(5,882)	–	–
Present value of lease obligations	–	<u>205,573</u>	–	<u>205,573</u>
Less: Amounts due for settlement within 12 months (shown under current liabilities)				<u>(171,742)</u>
Amount due for settlement after 12 months			<u>–</u>	<u>33,831</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

18 FINANCE LEASES (cont'd)

Finance leases amounted to \$174,610 before the disposal of CAPL on April 20, 2018. Up to its disposal, it was the Group's policy to lease certain of its property, plant and equipment under finance leases. The average lease terms was 4 years in 2017. The average effective borrowing rates ranged from 1.3% to 4.3% per annum in 2017. Interest rates were fixed at the contract date, and thus exposed the Group to fair value interest rate risk. All leases were on a fixed repayment basis and no arrangements had been entered into for contingent rental payments.

The fair value of the Group's lease obligations approximates their carrying amount as at September 30, 2017.

In 2017, the Group's obligations under finance leases were secured by the lessor's title to the leased assets (Note 11) and guaranteed by the Company.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Note	October 1, 2017	Financing cash flow (i)	Non-cash change		September 30, 2018
				New finance leases	Disposal of subsidiaries (Note 32)	
		\$	\$	\$	\$	\$
<u>Group</u>						
Bank loans	15	1,094,194	(224,594)	–	(869,600)	–
Finance leases	18	205,573	(106,963)	76,000	(174,610)	–
		<u>1,299,767</u>	<u>(331,557)</u>	<u>76,000</u>	<u>(1,044,210)</u>	<u>–</u>

(i) The cash flows make up the repayments of borrowings in the statement of cash flows.

19 DEFERRED TAX LIABILITIES (ASSETS)

	Accelerated tax depreciation (Accelerated accounting depreciation)
	\$
<u>Group</u>	
At October 1, 2016	(30,800)
Charged to profit or loss (Note 24)	46,781
At September 30, 2017	<u>15,981</u>
Charged to profit or loss (Note 24)	65,210
Disposal	(72,987)
At September 30, 2018	<u><u>8,204</u></u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

20 SHARE CAPITAL

	Group and Company			
	2018	2017	2018	2017
	Number of ordinary shares		\$	
Issued and paid:				
At beginning and at end of year	84,498,000	84,498,000	13,292,106	13,292,106

The Company has one class of ordinary share which has no par value and carries a right to dividend as and when declared by the Company.

21 REVENUE

This represents revenue from sale of goods.

22 OTHER INCOME

	Group	
	2018	2017
	\$	
Continuing operations		
Sundry income	658	1,680
Net foreign exchange gain	12	–
Gain on disposal on property, plant and equipment	1,515	–
Interest income	109,052	18,805
	<u>111,237</u>	<u>20,485</u>
Discontinued operations (Note 31)		
Gain on disposal on property, plant and equipment	4,272	–
Reversal of allowance for doubtful trade receivables	494	3,799
Government grants	159,629	277,803
Sundry income	106,219	188,931
Net foreign exchange gain	–	155,119
Insurance claim	4,197	3,124
Interest income	163,578	333,112
	<u>438,389</u>	<u>961,888</u>
Total	<u>549,626</u>	<u>982,373</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

23 OTHER OPERATING EXPENSES

	Group	
	2018	2017
	\$	\$
Continuing operations		
Net foreign exchange loss	–	2,458
Advertising expenses	117,620	54,288
Professional expenses	225,118	218,155
Insurance	36,031	7,451
Repair and maintenance	18,983	9,325
Staff welfare	29,933	24,809
Transport expenses	114,634	141,069
Fixed assets written off	342	–
Other general expenses	392,391	334,629
	935,052	792,184
Discontinued operations (Note 31)		
Fixed assets written off	22,117	–
Loss on disposal of property, plant and equipment	–	2,438
Loss on disposal of investment	2,762,645	–
Net foreign exchange loss	25,480	–
Advertising expenses	76,759	9,251
Professional expenses	131,424	182,718
Carriage charges	37,000	66,600
Insurance	66,064	169,800
Trade receivables written off	11,985	4,582
Biological assets written off	884,952	1,277,736
Repair and maintenance	276,467	368,169
Research and development	32,537	32,541
Staff welfare	176,552	280,638
Transport expenses	121,762	246,234
Other general expenses	233,736	381,631
	4,859,480	3,022,338
Total	5,794,532	3,814,522

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

24 INCOME TAX EXPENSE

	Group	
	2018	2017
	\$	\$
Continuing operations:		
Income tax:		
- Current year	29,890	48,949
- Over provision of prior year	(4,101)	(2,514)
Deferred tax (Note 19):		
- Current year	8,204	-
Total	<u>33,993</u>	<u>46,435</u>
Discontinued operations:		
Income tax:		
- Current year	537,478	658,016
- (Over) Under provision of prior year	(1,746)	74,115
Deferred tax (Note 19):		
- Current year	57,006	46,781
Total	<u>592,738</u>	<u>778,912</u>
Total	<u><u>626,731</u></u>	<u><u>825,347</u></u>

Domestic income tax is calculated at 17% (2017 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

24 INCOME TAX EXPENSE (cont'd)

The total charge for the financial year can be reconciled to the accounting (loss) profit as follows:

	Group	
	2018	2017
	\$	\$
Continuing operations		
(Loss) Profit before income tax	(539,202)	175,809
Income tax (benefit) expense at statutory rate	(91,664)	29,888
Effect of expenses that are not deductible in determining taxable profit	181,253	19,110
Overprovision of prior year's tax	(4,101)	(2,514)
Effect of tax losses not carried forward	(53,000)	–
Others	1,505	(49)
Income tax expense	33,993	46,435
Discontinued operations (Note 31)		
(Loss) Profit before income tax	(832,966)	4,096,822
Income tax (benefit) expense at statutory rate	(141,604)	696,459
Effect of expenses that are not deductible in determining taxable profit	800,800	98,638
Effect of non-taxable income	–	(1,651)
Effect of tax concessions	(19,253)	(22,115)
(Over) Underprovision of prior year's tax	(1,746)	74,115
Tax exempt income	(17,425)	(48,393)
Others	(28,034)	(18,141)
Income tax expense	592,738	778,912
Total income tax expense	626,731	825,347

In 2017, the Group had unutilised tax losses of \$311,383 available for offset against future taxable profits. These deferred tax benefits for the Group were not recognised in the financial statements in accordance with the accounting policy set out in Note 2 due to uncertainty of its recoverability.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

25 (LOSS) PROFIT FOR THE YEAR

(Loss) Profit for the year is arrived at after charging (crediting):

	Group					
	Continuing operations		Discontinued operations (Note 31)		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Government grants	-	-	(159,629)	(277,803)	(159,629)	(277,803)
Cost of inventories recognised as expense	1,460,881	445,325	2,938,831	5,771,327	4,399,712	6,216,652
Directors' fee	158,950	151,250	-	-	158,950	151,250
Directors' remuneration	569,059	346,516	165,259	354,346	734,318	700,862
Depreciation of property, plant and equipment	56,221	11,520	96,189	306,414	152,410	317,934
Amortisation of land use rights	-	-	59,796	136,467	59,796	136,467
Amortisation of biological assets (Note 13)	-	-	8,210,681	15,165,649	8,210,681	15,165,649
Biological assets written off, net	-	-	884,952	1,277,736	884,952	1,277,736
(Gain) Loss on disposal of land use rights property, plant and equipment, net	(1,515)	-	(4,272)	2,438	(5,787)	2,438
Fixed assets written off	342	-	22,117	-	22,459	-
Allowance for receivables	-	-	11,297	754	11,297	754

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

25 (LOSS) PROFIT FOR THE YEAR (cont'd)

	Group				
	Continuing operations		Discontinued operations		Total
	2018	2017	2018	2017	2017
	\$	\$	\$	\$	\$
Employee benefits expense (including directors' remuneration)					
Salaries	1,258,364	1,063,662	3,858,357	5,116,097	6,179,759
Cost of defined contribution plan	34,576	56,153	689,960	1,066,929	1,123,082
Others	48,198	50,157	25,649	44,561	94,718
	1,341,138	1,169,972	4,573,966	6,227,587	7,397,559
Capitalised and included in the carrying amount of biological assets	-	-	(1,800,081)	(2,558,493)	(2,558,493)
Total employee benefits expense	1,341,138	1,169,972	2,773,885	3,669,094	4,839,066
Audit fees	66,300	56,300	28,000	58,200	114,500
Non-audit fees:					
- paid to auditors of the company	4,100	8,000	-	11,700	19,700
- paid to other auditors	47,642	23,599	-	-	23,599

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

26 (LOSS) EARNINGS PER SHARE

(Loss) Earnings per share is calculated as below:

	Group	
	2018	2017
	No. of shares	
	_____	_____
Number of ordinary shares	84,498,000	84,498,000
	=====	
	Group	
	2018	2017
	\$	\$
	_____	_____
(Loss) Profit for the year attributable to owners of the Company from continuing operations	(591,318)	103,521
(Loss) Earnings per share (cents) from continuing operations	(0.70)	0.12

(Loss) Profit for the year attributable to owners of the Company from discontinued operations	(1,425,704)	3,317,910
(Loss) Earnings per share (cents) from discontinued operations	(1.69)	3.93

(Loss) Profit for the year attributable to owners of the Company from continuing and discontinued operations	(2,017,022)	3,421,431
(Loss) Earnings per share (cents) from continuing and discontinued operations	(2.39)	4.05

The fully diluted (loss) earnings per share is equal to the basic (loss) earnings per share as there is no dilution.

27 DIVIDENDS

On November 24, 2016 in respect of the financial year ended September 30, 2016, a final one-tier tax exempt dividend of \$0.0049 per ordinary share amounting to a total of \$414,040 was declared by the Company and paid to the shareholders of the Company.

On November 28, 2017, in respect of the financial year ended September 30, 2017, a final one-tier tax exempt dividend of \$0.0050 per ordinary share amounting to a total of \$422,490 was declared by the Company and paid to the shareholders of the Company.

On April 20, 2018, in respect of the financial year ended September 30, 2018, a special one-tier tax exempt dividend of \$0.35 per ordinary share amounting to a total of \$29,574,300 was declared and was paid on May 10, 2018. On September 26, 2018, the Company declared an interim one-tier dividend of \$0.10 per ordinary share amounting to a total of \$8,449,800 and paid to the shareholders of the Company on October 12, 2018.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

28 SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The operating segments operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about the resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

The Group's reportable operating segments are as follows:

- (a) Designer and generic eggs - production and sale of designer and generic eggs
- (b) Liquid eggs - production and sale of liquid eggs
- (c) Spent grains - trading of spent grains
- (d) Food processing - production and sale of chicken soup

Others relates to sale of feed material, trading products and others that do not constitute an operating segment. Accordingly, others are presented as a reconciliation to the segment information presented.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment result represents the profit earned by each segment without allocation of other income, corporate expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources, the chief operating decision maker monitors the tangible and financial assets attributable to each segment. Assets, if any, used jointly by reportable segments are allocated on the basis of the revenue earned by individual reporting segments.

For 2018, unallocated corporate assets mainly comprise cash and bank balances which include the unutilised cash proceeds received from the disposal of subsidiaries (Note 32). Unallocated corporate liabilities mainly include the dividend payable of \$8.4 million.

For 2017, unallocated corporate assets mainly include the unutilised cash proceeds received from the disposal of property, plant and equipment to the Government in prior year. Unallocated corporate liabilities mainly include the deferred government grant of \$5.9 million received in prior year from the Government in relation to the financial assistance for the relocation of farm, of which \$5.6 million remained as deferred income as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

28 SEGMENT INFORMATION (cont'd)

Information regarding the Group's reportable segments is presented below.

	Designer and generic eggs	Liquid eggs	Spent grains	Food processing	Others	Total
	\$	\$	\$	\$	\$	\$
Continuing Operations						
<u>2018</u>						
REVENUE						
External revenue	2,833,103	-	-	-	458,514	3,291,617
RESULT						
Segment result	894,445	-	-	-	237,838	1,132,283
Unallocated other income						111,225
Unallocated corporate expenses						(1,782,710)
Loss before income tax						(539,202)
OTHER INFORMATION						
Additions to property, plant and equipment	-	-	-	-	149,442	149,442
Depreciation of property, plant and equipment	-	-	-	-	56,221	56,221
SEGMENT ASSETS						
Segment assets	1,021,870	-	-	-	53,726	1,075,596
Unallocated corporate assets						22,775,955
Total assets						23,851,551
SEGMENT LIABILITIES						
Segment liabilities	367,389	-	-	-	7,481	374,870
Unallocated corporate liabilities						9,183,852
Total liabilities						9,558,722

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

28 SEGMENT INFORMATION (cont'd)

	Designer and generic eggs \$	Liquid eggs \$	Spent grains \$	Food processing \$	Others \$	Total \$
Discontinued Operations (Note 31)						
<u>2018</u>						
REVENUE						
External revenue	15,726,951	512,645	1,210,952	6,751	270,128	<u>17,727,427</u>
RESULT						
Segment result	2,141,475	278,149	71,366	(81,860)	53,996	2,463,126
Unallocated other income						417,689
Unallocated corporate expenses						(3,695,752)
Finance costs						(18,029)
Loss before income tax						<u>(832,966)</u>
OTHER INFORMATION						
Biological assets written off, net	884,952	—	—	—	—	884,952
Depreciation of property, plant and equipment	24,407	322	—	51,320	20,140	96,189
Amortisation of land use rights	—	—	—	—	59,796	59,796
Amortisation of biological assets	8,210,681	—	—	—	—	8,210,681
Allowance for doubtful trade receivables, net	11,297	—	—	—	—	11,297
Additions to biological assets	—	—	—	—	10,181,132	10,181,132
Additions to property, plant and equipment	—	—	—	—	163,444	163,444
Continuing Operations						
<u>2017</u>						
REVENUE						
External revenue	2,401,880	—	—	—	232,382	<u>2,634,262</u>
RESULT						
Segment result	1,540,545	—	—	—	125,302	1,665,847
Unallocated other income						18,027
Unallocated corporate expenses						(1,508,065)
Profit before income tax						<u>175,809</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

28 SEGMENT INFORMATION (cont'd)

	Designer and generic eggs	Liquid eggs	Spent grains	Food processing	Others	Total
	\$	\$	\$	\$	\$	\$
Continuing Operations						
<u>2017</u>						
OTHER INFORMATION						
Additions to property, plant and equipment	-	-	-	-	12,022	12,022
Depreciation of property, plant and equipment	-	-	-	-	11,520	11,520
SEGMENT ASSETS						
Segment assets	930,035	-	-	-	58,284	988,319
Unallocated corporate assets						3,597,614
Total assets						<u>4,585,933</u>
SEGMENT LIABILITIES						
Segment liabilities	535,405	-	-	-	-	535,405
Unallocated corporate liabilities						625,164
Total liabilities						<u>1,160,569</u>
Discontinued Operations (Note 31)						
<u>2017</u>						
REVENUE						
External revenue	27,310,709	739,029	2,804,477	11,539	423,301	<u>31,289,055</u>
RESULT						
Segment result	4,355,540	30,681	161,168	(209,782)	108,450	4,446,057
Unallocated other income						921,719
Unallocated corporate expenses						(1,228,759)
Finance costs						(42,195)
Profit before income tax						<u>4,096,822</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

28 SEGMENT INFORMATION (cont'd)

	Designer and generic eggs \$	Liquid eggs \$	Spent grains \$	Food processing \$	Others \$	Total \$
Discontinued Operations (Note 31)						
<u>2017</u>						
OTHER INFORMATION						
Biological assets written off, net	1,277,736	-	-	-	-	1,277,736
Depreciation of property, plant and equipment	142,217	734	-	149,701	13,762	306,414
Amortisation of land use rights	-	-	-	-	136,467	136,467
Amortisation of biological assets	15,165,649	-	-	-	-	15,165,649
Allowance for doubtful trade receivables, net	260	-	-	-	494	754
Additions to biological assets	-	-	-	-	18,108,301	18,108,301
Additions to property, plant and equipment	-	-	-	-	88,745	88,745
SEGMENT ASSETS						
Segment assets	13,885,459	101,937	173,078	2,244,658	422,389	16,827,521
Unallocated corporate assets						45,875,329
Total assets						<u>62,702,850</u>
SEGMENT LIABILITIES						
Segment liabilities	1,972,028	3,595	235,990	1,145,646	149,491	3,506,750
Unallocated corporate liabilities						7,883,945
Total liabilities						<u>11,390,695</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

28 SEGMENT INFORMATION (cont'd)***Geographical information***

The Group operates in two principal geographical areas - Singapore (country of domicile) and Hong Kong.

The Group's revenue from external customers and information about its segment assets by geographical location are detailed below:

	Singapore	Hong Kong	Total
	\$	\$	\$
<u>2018</u>			
REVENUE			
External revenue	17,727,427	3,291,617	<u>21,019,044</u>
NON-CURRENT ASSETS			
Non-current assets	-	111,111	<u>111,111</u>
<u>2017</u>			
REVENUE			
External revenue	31,289,055	2,634,262	<u>33,923,317</u>
NON-CURRENT ASSETS			
Non-current assets	15,213,329	87,511	<u>15,300,840</u>

Information about major customers

Included in revenues arising from selling of designer and generic eggs are \$6,324,645 (2017 : \$10,911,870) which arose from sales to the Group's largest customer.

29 CAPITAL COMMITMENTS

	Group	
	2018	2017
	\$	\$
Commitments for the acquisition of property, plant and equipment	-	<u>704,629</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

30 OPERATING LEASE ARRANGEMENTS

	Group	
	2018	2017
	\$	\$
Continuing Operations		
Minimum lease payments under non-cancellable operating leases recognised as an expense in the year	148,764	59,937
Discontinued Operations		
Minimum lease payments under non-cancellable operating leases recognised as an expense in the year	41,891	40,637

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases which fall due as follows:

	Group	
	2018	2017
	\$	\$
Within 1 year	134,289	152,503
Within 2 to 5 years	123,098	719,991
	257,387	872,494

Operating lease payments represent rentals payable by the Group for office premises. Office premises leases are negotiated and rentals are fixed for an average term of 3 years (2017 : 2.5 years).

31 DISCONTINUED OPERATION

On March 8, 2018, the Company has entered into a sale and purchase agreement (the "SPA") with a third party to dispose the entire shareholdings of its four wholly-owned subsidiaries, Chew's Agriculture Pte Ltd, Chew's Group Marketing Pte Ltd, Chew's Engineering Services Pte Ltd and Chew's Group Investment Pte Ltd ("Disposal Group"), for a total consideration of \$12.5 million, which includes the cash and bank balances of the four subsidiaries amounting to \$1.5 million as at March 31, 2018 retained by the Group. The SPA of the disposal was approved by the shareholders of the Company at an extraordinary meeting convened on March 8, 2018 and the disposal was completed on April 20, 2018. Therefore, the results of the Disposal Group has been classified as discontinued operations as the business operations of the Disposal Group is a separate major geographical area of operations. The Group ceases its business operations in Singapore after the disposal.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

31 DISCONTINUED OPERATION (cont'd)

The result of the discontinued operations for the period from October 1, 2017 to April 20, 2018 and for financial year 2017 are as follows:

	2018	2017
	\$	\$
Revenue	17,727,427	31,289,055
Other income (Note 22)	438,389	961,888
Change in inventories	303,294	200,247
Purchase of materials	(3,242,125)	(5,971,574)
Employee benefits expense	(2,773,885)	(3,669,094)
Depreciation and amortisation expense	(155,985)	(442,881)
Rental expenses	(41,891)	(40,637)
Amortisation of biological assets	(8,210,681)	(15,165,649)
Other operating expenses (Note 23)	(4,859,480)	(3,022,338)
Finance costs	(18,029)	(42,195)
(Loss) Profit before tax	(832,966)	4,096,822
Income tax expense (Note 24)	(592,738)	(778,912)
(Loss) Profit for the year	(1,425,704)	3,317,910

The cash flows of the discontinued operations for the previous year and for the current year, which have been included in the consolidated financial statements, were as follows:

	2018	2017
	\$	\$
Operating activities	11,152,809	17,775,056
Investing activities	(12,208,116)	(16,902,162)
Financing activities	(228,615)	(1,057,546)
Net decrease in cash and cash equivalents	(1,283,922)	(184,652)

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

32 DISPOSAL OF SUBSIDIARIES

As referred to in Note 31, the Group discontinued its operations in Singapore on March 8, 2018 and the disposal of its subsidiaries was completed on April 20, 2018.

Details of the disposal are as follows:

Carrying amounts of net assets over which control was lost

	<u>2018</u>
	\$
ASSETS	
Current assets	
Cash and bank balances	2,582,336
Trade receivables	3,685,577
Other receivables	804,816
Inventories	1,656,236
Total current assets	<u>8,728,965</u>
Non-current assets	
Other receivables	288,271
Property, plant and equipment	3,391,928
Land use rights	3,852,248
Biological assets	8,470,068
Total non-current assets	<u>16,002,515</u>
Total assets	<u><u>24,731,480</u></u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

32 DISPOSAL OF SUBSIDIARIES (cont'd)

	2018
	<u>\$</u>
LIABILITIES AND EQUITY	
Current liabilities	
Current portion of bank loans	869,600
Trade payables	3,248,342
Other payables	7,334,000
Current portion of finance leases	91,992
Income tax payable	1,002,711
Total current liabilities	<u>12,546,645</u>
Non-current liabilities	
Other payables	194,982
Finance leases	82,618
Deferred tax liabilities	72,987
Total non-current liabilities	<u>350,587</u>
Total liabilities	<u><u>12,897,232</u></u>
Net assets derecognised	<u><u>11,834,248</u></u>
Consideration received	
Cash	12,501,144
Loss on disposal	
Consideration received	12,501,144
Net asset derecognised	(11,834,248)
Expenses incurred for disposal	(3,429,541)
	<u><u>(2,762,645)</u></u>
Net cash inflow arising on disposal	
Consideration received	12,501,144
Expenses incurred for disposal	(3,429,541)
Cash and cash equivalent disposed of	(2,582,336)
	<u><u>6,489,267</u></u>

The loss on disposal of subsidiaries is recorded as part of loss for the year from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2018

33 SUBSEQUENT EVENT

On August 22, 2018, the Company's ultimate holding company, Fenghe Investment Holding Pte Ltd, had entered into a sale and purchase agreement (the "SPA") with Goldhill Trust Pte Ltd, a third party, to dispose its entire shareholdings of 57,580,341 ordinary shares ("Sale Shares") in Chew's Group Limited, representing approximately 68.14% of the total issued and paid-up share capital of the Company, at the price of \$0.2107 per Sale Shares. The SPA of the disposal was approved by the shareholders of the Company and made effective on October 8, 2018 upon announcement on SGX. As a result of the disposal, Goldhill Trust Pte Ltd is the Company's ultimate holding company with effect from October 8, 2018.

STATISTICS OF SHAREHOLDING

AS AT 8 JANUARY 2019

Issued and paid up share capital	:	S\$13,624,500
Number of issued shares	:	84,498,000
Subsidiary holdings	:	Nil
Treasury shares	:	Nil
Class of share	:	Ordinary shares fully paid
Voting rights	:	One vote for each ordinary share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 8 JANUARY 2019

Size of Shareholders	No. of Shareholders	%	No. of shares	%
1 - 99	2	0.94	3	-
100 - 1,000	33	15.57	16,400	0.02
1,001 - 10,000	83	39.15	421,465	0.50
10,001 - 1,000,000	86	40.57	7,601,562	9.00
1,000,001 and above	8	3.77	76,458,570	90.48
Total	212	100.00	84,498,000	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 8 JANUARY 2019

Name of Shareholder	No. of Shares	% of Shares
1 GOLDHILL TRUST PTE LTD	62,466,590	73.93
2 ANG DE YU	4,746,084	5.62
3 OONG BING HUI	2,049,600	2.43
4 TAN ENG TIONG	2,000,000	2.37
5 CHEW ENG KENG	1,634,500	1.93
6 CHEW SUU HAI	1,202,075	1.42
7 OH CHEE TAT (HU ZHIDA)	1,186,521	1.4
8 CHAN KIM HOO	1,173,200	1.39
9 TAN SIEW HONG	1,000,000	1.18
10 OH HONG LEE	1,000,000	1.18
11 OH KIAN CHYE	1,000,000	1.18
12 CHEN YI JIN	500,000	0.59
13 TOO AH KIT	500,000	0.59
14 LIM YUH SHIUAN	474,608	0.56
15 DANIEL TAN POON KUAN	200,000	0.24
16 TAN YEO KEE	200,000	0.24
17 RAFFLES NOMINEES(PTE) LIMITED	197,600	0.23
18 SEE WEE SIAH	150,000	0.18
19 CHONG YEN CHAN	138,300	0.16
20 MAHBOB BIN ABDULLAH	100,000	0.12
Total:	81,919,078	96.94

STATISTICS OF SHAREHOLDING

AS AT 8 JANUARY 2019

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF THE PUBLIC

Based on the information available to the Company as at 8 January 2019, approximately 20.46% of the issued ordinary shares of the Company is held by the public. Accordingly, Rule 723 of the Listing Manual Section B. Rules of Catalist of the SGX-ST ("**Catalist Rules**") has been complied with. Notwithstanding the aforementioned, the transfer of shares pursuant to the share purchase agreements entered into between Goldhill and the purchasers of such shares for the purposes of complying with the public float requirement under Rule 723 of the Catalist Rules ("**Transfers**") are being processed by The Central Depository (Pte) Limited ("**CDP**"). As such, the Company will lift its trading suspension upon CDP's approval and completion of the Transfers. The Company will make the appropriate announcements via SGXNET as and when there are major developments on the aforementioned.

SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholder	Direct Interest		Deemed Interest	
		No. of shares	%	No. of shares	%
1	Goldhill Trust Pte. Ltd.	62,466,590	73.93	–	–
2	Ang De Yu	4,746,084	5.62	–	–
3	Alex Tan	–	–	62,466,590	73.93
4	Tan Theng Hong, Amos	–	–	62,466,590	73.93

Goldhill Trust is an investment holding company incorporated in Singapore on 10 May 2018. Mr. Alex Tan and Mr. Tan Theng Hong, Amos, each owns 50% of the issued share capital of Goldhill Trust. As such, Mr. Alex Tan and Mr. Tan Theng Hong, Amos are deemed to be interested in the ordinary shares of the Company owned by Goldhill Trust pursuant to Section 4 of the Securities and Futures Act (Cap 289). Mr. Alex Tan is the Executive Director and CEO of the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Chew's Group Limited (the "**Company**") will be held at 9 Kent Ridge Drive, Singapore 119241, Kent Ridge Guild House, Cluny Room, Level 2 on Thursday, 31 January 2019 at 10.00 a.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2018 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr. Tan Pei Hong, Alex (Chen Peifeng), a Director retiring pursuant to Regulation 99 of the Company's Constitution.
[See Explanatory Note (1)] **(Resolution 2)**
3. To re-elect Mr. Chiu Joon Sun (Zhao Junsheng), a Director retiring pursuant to Regulation 99 of the Company's Constitution.
[See Explanatory Note (2)] **(Resolution 3)**
4. To re-elect Mr. Zachary Tan Lian Chye, a Director retiring pursuant to Regulation 99 of the Company's Constitution.
[See Explanatory Note (3)] **(Resolution 4)**
5. To re-elect Mr. Chee Teck Kwong Patrick, a Director retiring pursuant to Regulation 99 of the Company's Constitution.
[See Explanatory Note (4)] **(Resolution 5)**
6. To re-elect Mr. Low Chin Parn Eric, a Director retiring pursuant to Regulation 99 of the Company's Constitution.
[See Explanatory Note (5)] **(Resolution 6)**
7. To re-elect Mr. Wan Tai Foong, a Director retiring pursuant to Regulation 99 of the Company's Constitution.
[See Explanatory Note (6)] **(Resolution 7)**
8. To approve the payment of Directors' fees of S\$154,251 for the financial year ending 30 September 2019, payable half-yearly in arrears. **(Resolution 8)**
9. To re-appoint Messrs Deloitte & Touche LLP as external auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**
10. To transact any other ordinary business which may properly be transacted at an annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

11. Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding and subsisting at the time this Resolution is passed, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

NOTICE OF ANNUAL GENERAL MEETING

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (7)]

(Resolution 10)

12. Proposed renewal of the Share Buy-Back Mandate of Chew's Group Limited

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i) on-market purchase(s) (each a "**Market Purchase**") transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Catalist Rules and the Companies Act,
- and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, the Constitution of the Company and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined) and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held; or
 - (ii) the date on which the share buybacks are carried out to the full extent of the Share Buy-Back Mandate; or
 - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting;
- (c) for purposes of this Resolution:

"**Maximum Limit**" means ten per cent. (10%) of the total issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution 11, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued ordinary shares of the Company shall be taken to be the total number

NOTICE OF ANNUAL GENERAL MEETING

of the issued ordinary shares of the Company as altered by such capital reduction (the total number of ordinary shares shall exclude any ordinary shares that may be held as treasury shares by the Company and subsidiary holdings from time to time);

"Relevant Period" means the period commencing from the date of the passing of this Resolution 11 and expiring on the earliest of the date the next annual general meeting of the Company is held or is required by law to be held, the date on which the share buybacks are carried out to the full extent of the Share Buy-Back Mandate or the date the said mandate is revoked or varied by the Company in a general meeting;

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, fifteen per cent. (15%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

"Market Day" means a day on which the SGX-ST is open for trading in securities;

- (d) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;
- (e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and
- (f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (8)]

(Resolution 11)

BY ORDER OF THE BOARD

Janet Tan
Company Secretary
Singapore

16 January 2019

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

- (1) Mr. Tan Pei Hong, Alex (Chen Peifeng) will, upon re-election as a Director of the Company, remain as the Executive Director and Chief Executive Officer of the Company, the Chairman of the Risk Committee and a member of the Nominating Committee. Mr. Tan Pei Hong, Alex (Chen Peifeng) is a director of and holds 50% of the issued share capital of Goldhill Trust Pte. Ltd., which is currently the controlling shareholder of the Company holding 62,466,590 shares, which represents 73.93% of the issued share capital of the Company. Save for the aforementioned, there are no other relationships (including family relationships) between Mr. Tan Pei Hong, Alex (Chen Peifeng) and the other Directors, the Company and its ten per cent. (10%) shareholder. Detailed information on Mr. Tan Pei Hong, Alex (Chen Peifeng) can be found on page 6 of the annual report.
- (2) Mr. Chiu Joon Sun (Zhao Junsheng) will, upon re-election as a Director of the Company, remain as the Executive Director of the Company and a member of the Nominating Committee and Risk Committee. There are no relationships (including family relationships) between Mr. Chiu Joon Sun (Zhao Junsheng) and the other Directors, the Company and its ten per cent. (10%) shareholder. Detailed Information on Mr. Chiu Joon Sun (Zhao Junsheng) can be found on page 7 of the annual report.
- (3) Mr. Zachary Tan Lian Chye will, upon re-election as a Director of the Company, remain as the Non-Executive Non-Independent Chairman of the Board of Directors and a member of the Risk Committee. There are no relationships (including family relationships) between Mr. Zachary Tan Lian Chye and the other Directors, the Company and its ten per cent. (10%) shareholder. Detailed Information on Mr. Zachary Tan Lian Chye can be found on page 6 of the annual report.
- (4) Mr. Chee Teck Kwong Patrick will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee and Risk Committee. Mr. Chee Teck Kwong Patrick will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST. There are no relationships (including family relationships) between Mr. Chee Teck Kwong Patrick and the other Directors, the Company and its ten per cent (10%) shareholder. Detailed Information on Mr. Chee Teck Kwong Patrick can be found on page 7 of the annual report.
- (5) Mr. Low Chin Parn Eric will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee, Remuneration Committee and Risk Committee. Mr. Low Chin Parn Eric will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST. There are no relationships (including family relationships) between Mr. Low Chin Parn Eric and the other Directors, the Company and its ten per cent (10%) shareholder. Detailed Information on Mr. Low Chin Parn Eric can be found on page 8 of the annual report.
- (6) Mr. Wan Tai Foong will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating Committee, Remuneration Committee and Risk Committee. Mr. Wan Tai Foong will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST. There are no relationships (including family relationships) between Mr. Wan Tai Foong and the other Directors, the Company and its ten per cent (10%) shareholder. Detailed Information on Mr. Wan Tai Foong can be found on page 8 of the annual report.
- (7) The Ordinary Resolution 10 proposed in item 11 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares subsidiary holdings) at the time Resolution 10 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when Resolution 10 is passed and any subsequent consolidation or subdivision of shares.
- (8) The Ordinary Resolution 11 proposed in item 12 above, if passed, will empower the Directors of the Company, from the date of the this Annual General Meeting until the date the next annual general meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to ten per cent. (10%) of the total number of issued Shares excluding any Shares which are held as treasury shares by the Company, at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Appendix for the Renewal of Share Buy-Back Mandate dated 16 January 2019.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. A member of the Company (other than a Relevant Intermediary) (as defined in Note 2 below) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Such proxy need not be a member of the Company and where there are two (2) proxies, the number of shares to be represented by each proxy must be stated.
2. A member who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

"Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company.
 4. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
 5. The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the Company's registered office at 80 Raffles Place #32-01 UOB Plaza 1 Singapore 048624, not less than seventy-two (72) hours before the time appointed for holding the Annual General Meeting.

PERSONAL DATA PRIVACY:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

APPENDIX

DATED 16 JANUARY 2019

This Appendix is circulated to shareholders of Chew's Group Limited (the "**Company**") ("**Shareholders**") together with the Company's annual report for the financial year ended 30 September 2018 (the "**2018 Annual Report**"). Its purpose is to explain to Shareholders the rationale and provide information relating to the proposed renewal of the Share Buy-Back Mandate (as defined hereinafter) to be tabled at the annual general meeting of the Company to be held on 31 January 2019 at 10.00 a.m. at 9 Kent Ridge Drive, Singapore 119241, Kent Ridge Guild House, Cluny Room, Level 2, and at any adjournment thereof (the "**AGM**").

The ordinary resolution proposed to be passed in respect of the above matter is set out in the notice of AGM and proxy form which are enclosed with the 2018 Annual Report.

If you have sold or transferred all your shares in the capital of the Company, represented by physical share certificate(s), you should immediately forward this Appendix, together with the notice of AGM and proxy form which are enclosed with the 2018 Annual Report, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Appendix 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 Catalyst. The Sponsor has not verified the contents of this Appendix.

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

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).



**APPENDIX IN RELATION TO THE PROPOSED RENEWAL OF
THE SHARE BUY-BACK MANDATE**

APPENDIX

DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

"2018 Annual Report"	:	The Annual Report of the Company for financial year ended 30 September 2018
"2019 AGM"	:	The AGM of the Company scheduled to be convened on 31 January 2019
"ACRA"	:	Accounting & Corporate Regulatory Authority of Singapore
"AGM"	:	The annual general meeting of the Company
"Appendix"	:	The appendix to Shareholders dated 16 January 2019 in relation to the proposed renewal of the Share Buy-Back Mandate
"Associate"	:	<p>(a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-</p> <p>(i) his immediate family;</p> <p>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</p> <p>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; or</p> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p>
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	Chew's Group Limited
"Companies Act"	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
"Constitution"	:	The Constitution of the Company, as amended from time to time
"Controlling Shareholder"	:	<p>A person who:</p> <p>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or</p> <p>(b) in fact exercises control over the Company</p>

APPENDIX

“Director(s)”	:	Director(s) of the Company as at the date of this Appendix
“EPS”	:	Earnings per Share
“Group”	:	The Company and its subsidiaries, collectively
“Latest Practicable Date”	:	8 January 2019, being the latest practicable date prior to the printing of this Appendix
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Notice of AGM”	:	The notice of AGM dated 16 January 2019
“NTA”	:	Net tangible asset
“Ordinary Resolution”	:	Ordinary resolution as set out in the Notice of AGM which is on pages 125 to 130 of the 2018 Annual Report
“Relevant Period”	:	The period commencing from the date on which the resolution relating to the renewal of the Share Buy-Back Mandate is passed at the forthcoming 2019 AGM and expiring on the earliest of the date on which the next AGM is held or is required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate or the date the said mandate is revoked or varied by the Company in a general meeting
“Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buy-Back Mandate”	:	The proposed renewal of the general and unconditional mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Shareholders”	:	Registered holder(s) of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“SIC”	:	The Securities Industry Council of Singapore
“Subsidiary Holdings”	:	Shares held by subsidiaries of the Company in accordance with the Companies Act

APPENDIX

“Substantial Shareholder” :	A person who has an interest (directly or indirectly) in one (1) or more voting shares in the Company and the total votes attaching to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company
Take-over Code :	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
Treasury Shares :	Shares purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate and held by the Company in accordance with Section 76H of the Companies Act
“S\$” and “cents” :	Singapore dollars and cents, respectively
“%” :	Per cent or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term **“subsidiary”** shall have the meaning ascribed to it under Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated. Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any term defined under the Companies Act, the Securities and Future Act or the Catalist Rules, or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Future Act or the Catalist Rules, or such modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in figures included in this Appendix between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

APPENDIX

CHEW'S GROUP LIMITED

(Company Registration No. 201020806C)
(Incorporated in the Republic of Singapore on 30 September 2010)

Directors

Mr. Zachary Tan Lian Chye
(Non-Executive Non-Independent Chairman)
Mr. Tan Pei Hong, Alex (Chen Peifeng)
(Executive Director and Chief Executive Officer)
Mr. Chiu Joon Sun (Zhao Junsheng)
(Executive Director)
Mr. Chee Teck Kwong Patrick
(Lead Independent Director)
Mr. Wan Tai Foong
(Independent Director)
Mr. Low Chin Parn Eric
(Independent Director)

Registered Office

80 Raffles Place,
#32-01 UOB Plaza 1,
Singapore 048624

16 January 2019

To: The Shareholders of Chew's Group Limited

Dear Shareholder,

1. INTRODUCTION

We refer to:

- (a) the Notice of AGM dated 16 January 2019 accompanying the 2018 Annual Report, convening the 2019 AGM which is scheduled to be held on 31 January 2019; and
- (b) Ordinary Resolution 11 in relation to the renewal of the Share Buy-Back Mandate under the heading "Special Business" set out in the Notice of AGM.

Shareholders are advised that the Sponsor and the SGX-ST assumes no responsibility for the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Appendix. Shareholders are also advised that if they are in any doubt as to any action they should take, they should consult their independent advisers.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**2.1 The Existing Share Buy-Back Mandate**

At the Extraordinary General Meeting of the Company held on 20 January 2012, the Shareholders had approved the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire Shares. At the AGM on 26 January 2018, the Shareholders approved the renewal of Share Buy-Back Mandate. As the Share Buy-Back Mandate will expire on the date of the forthcoming 2019 AGM, the Directors propose that the Share Buy-Back Mandate be renewed at the 2019 AGM.

2.2 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the Constitution.

APPENDIX

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the Catalist Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 14(B) of the Constitution expressly permits the Company to purchase its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the 2019 AGM for the proposed renewal of the Share Buy-Back Mandate.

If approved by Shareholders at the 2019 AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the 2019 AGM at which the proposed renewal of the Share Buy-Back Mandate will be approved ("**Approval Date**") and continue to be in force for the duration of the Relevant Period, which is until the earlier of the date on which the next AGM is held or is required by law to be held (whereupon it will lapse, unless renewed at such meeting), the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate or the date the said mandate is varied or revoked by the Company in a general meeting. Subject to its continued relevance to the Company, the Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent AGM.

2.3 Rationale for the Proposed Renewal of the Share Buy-Back Mandate

The Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that share buy-backs would allow the Company and its Directors to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share. Share buy-backs also help the Company minimise the dilution impact arising from the issue and allotment of shares pursuant to any share scheme(s).

Pursuant to the Companies Act, Shares purchased or otherwise acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as Treasury Shares.

The existing Shares purchased by the Company under the Share Buy-Back Mandate, if held as Treasury Shares, may be used for the purposes as set out in paragraph 2.6.3 of this Appendix, which include but is not limited to the issuance of Shares pursuant to the exercise of any share option scheme and the vesting of such awards. Under the Companies Act, the Company may deliver Shares pursuant to the exercise of options granted under such share scheme(s) and/or awards granted in the form of existing Shares held as Treasury Shares and/or an issue of new Shares.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company and when the Directors believe that such purchases or acquisitions would be in the best interests of the Company and its Shareholders.

2.4 Terms of the Proposed Renewal of the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-Back Mandate are summarised below.

2.4.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

APPENDIX

In accordance with Rule 867 of the Catalist Rules, the total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent. (10%) of the total number of issued Shares of the Company (excluding Treasury Shares and Subsidiary Holdings) as at the Approval Date, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be. For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as Treasury Shares and Subsidiary Holdings will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 84,498,000 Shares, and assuming no further Shares are issued on or prior to the 2019 AGM, no more than 8,449,800 Shares representing ten per cent. (10%) of the issued and paid-up share capital of the Company as at that date of the 2019 AGM may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

2.4.2 Duration of authority

Purchases or acquisitions of Shares may be made during the Relevant Period, which is at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which of the next AGM is held or is required by law to be held; or
- (b) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting.

2.4.3 Manner of purchase of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Catalist Rules, the Constitution and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme.

Pursuant to the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

APPENDIX

- (2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
- (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed share buy-back;
- (dd) the consequences, if any, of share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (ee) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any share buy-back made by the Company in the previous twelve (12) months (whether Off-Market Purchases in accordance with an equal access scheme or Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (gg) whether the Share purchased by the Company will be cancelled or kept as Treasury Shares.

2.4.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares, excluding related expenses of the purchase or acquisition, must not exceed the Maximum Price (as defined hereinafter) which is:

- (a) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period ("**Average Closing Market Price**"); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, fifteen per cent. (15%) above the Average Closing Market Price of the Shares over the five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price (as defined hereinafter) calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

APPENDIX

2.5 Status of Purchased Shares under the Share Buy-Back Mandate

A Share purchased or otherwise acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Shares are held by the Company as Treasury Shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as Treasury Shares. All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act), will be automatically de-listed by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time. The Company may hold Shares purchased pursuant to the Share Buy- Back Mandate as Treasury Shares to be used, *inter alia*, in the issue of Shares pursuant to the exercise of options under any share option scheme and/or the grant of awards under any share scheme(s).

2.6 Treasury Shares

Under the Companies Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Companies Act are summarised below.

2.6.1 Maximum holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. Any shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

2.6.2 Voting and other rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Shares into Treasury Shares of a greater or smaller number is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

2.6.3 Disposal and cancellation

Where Shares are held as Treasury Shares, the Company may at any time (subject to the Takeover Code):

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of, or pursuant to any share scheme of the Company, whether for employees, Directors or other persons;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of Shares in, or assets of, another company or assets of a person;

APPENDIX

- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance.

2.7 Reporting Requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before the purchase or acquisition of Shares, the Company's issued share capital after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

The Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchase or acquisition of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion, the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

2.8 Source of funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. As stated in the Companies Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of the payment made by the company in consideration of acquiring any right with respect to the purchase or acquisition of its own shares:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (1) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or

APPENDIX

- (2) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due within the period of 12 months immediately after the date of the payment; and
- (c) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after the proposed purchase, acquisition, variation or release (as the case may be) of the company's obligations, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. In purchasing or acquiring Shares pursuant to the Share Buy-Back Mandate, the Directors will, firstly, consider the availability of internal resources before considering the availability of external financing. The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that it would have a material adverse effect on the working capital requirements and/ or the gearing of the Group.

2.9 Financial effects

Under the Companies Act, the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including any expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company of the Shares) will correspondingly reduce the profits of the Company and hence the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (including any expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company of the Shares) will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced. The NTA of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

For illustrative purposes only, as at the Latest Practicable Date, the issued and paid-up ordinary share capital of the Company (excluding Treasury Shares and Subsidiary Holdings) comprises 84,498,000 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 8,449,800 Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or otherwise acquired are cancelled or held as Treasury Shares.

For illustrative purposes only, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 30 September 2018 are based on the following assumptions:

- (a) based on 84,498,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued or purchased and kept as Treasury Shares and there are no Subsidiary Holdings on or prior to the 2019 AGM, the maximum number of Shares that the Company can purchase or acquire without adversely affecting the 10% public float requirement (as elaborated in Section 10.3.5(iii) of this Appendix) is 8,449,800 Shares or 10% of the issued Shares;
- (b) in the case of Market Purchase by the Company and assuming that the Company purchases or acquires 8,449,800 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other

APPENDIX

related expenses) assuming a maximum price of S\$0.22 for one Share which is five per cent. (5%) above the average of the closing market prices of the Share for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$1.86 million;

- (c) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 8,449,800 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.24 for one Share which is fifteen per cent. (15%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$2.03 million.

For illustrative purposes only and on the basis of the assumptions set out in (a), (b) and (c) above, the financial effects of the:

- (i) purchase or acquisition of 8,449,800 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 8,449,800 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled or held in treasury,

on the audited financial statements of the Company and the Group for the financial year ended 30 September 2018 are set out below.

Based on the audited financial statements of the Company and the Group for FY2018, the Company and the Group does not have sufficient distributable profits to effect the Share buy-back. As such, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases and Off-Market Purchases made entirely out of profits is not disclosed in this Circular.

APPENDIX

Scenario 1: Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 September 2018						
Share Capital	13,292	11,433	11,264	13,292	11,433	11,264
Capital Reserve	2	2	2	–	–	–
Accumulated Profits	966	966	966	358	358	358
Translation Reserve	(17)	(17)	(17)	–	–	–
Shareholders' Funds	14,243	12,384	12,215	13,650	11,792 ⁽²⁾	11,623 ⁽²⁾
NTA	14,243	12,384	12,215	13,650	11,791	11,622
Current Assets	23,740	21,881	21,712	22,329	20,470	20,301
Current Liabilities	9,519	9,519	9,519	8,679	8,679	8,679
Working Capital	14,221	12,362	12,193	13,650	11,791	11,622
Total Borrowings	–	–	–	–	–	–
Cash and Cash Equivalents	22,580	20,721	20,552	22,312	20,453	20,284
Total Number of Issued Shares ('000)	84,498	76,048	76,048	84,498	76,048	76,048
Weighted Average Number of Shares ('000)	84,498	76,048	76,048	84,498	76,048	76,048
(Loss)/Profit Attributable to the Owners of the Company	(2,017)	(2,017)	(2,017)	38,308	38,308	38,308
Financial Ratios						
NTA per Share (S\$)	0.17	0.16	0.16	0.16	0.16	0.15
Gearing (times)	–	–	–	–	–	–
Current Ratio (times)	2.49	2.30	2.28	2.57	2.36	2.34
(Loss)/Earning Per Share ⁽¹⁾ (cents)	(2.39)	(2.65)	(2.65)	45.34	50.37	50.37

Notes:

⁽¹⁾ For (Loss)/Earning Per Share computation, Treasury Shares and Shares cancelled are excluded from the weighted average number of Shares in issue.

⁽²⁾ As a result of rounding differences, numbers or percentages may not add up to the total.

APPENDIX

Scenario 2: Purchases made entirely out of capital and held as Treasury Shares

	Group			Company		
	Before Share Buy-Back	After Market Purchase	Off-Market Purchase	Before Share Buy-Back	After Market Purchase	Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 September 2018						
Share Capital	13,292	13,292	13,292	13,292	13,292	13,292
Capital Reserve	2	2	2	–	–	–
Accumulated Profits	966	966	966	358	358	358
Translation Reserve	(17)	(17)	(17)	–	–	–
Treasury Shares	–	(1,859)	(2,028)	–	(1,859)	(2,028)
Shareholders' Funds	14,243	12,384	12,215	13,650	11,792 ⁽²⁾	11,623 ⁽²⁾
NTA	14,243	12,384	12,215	13,650	11,791	11,622
Current Assets	23,740	21,881	21,712	22,329	20,470	20,301
Current Liabilities	9,519	9,519	9,519	8,679	8,679	8,679
Working Capital	14,221	12,362	12,193	13,650	11,791	11,622
Total Borrowings	–	–	–	–	–	–
Cash and Cash Equivalents	22,580	20,721	20,552	22,312	20,453	20,284
Total Number of Issued Shares ('000)	84,498	84,498	84,498	84,498	84,498	84,498
Weighted Average Number of Shares ('000)	84,498	84,498	84,498	84,498	84,498	84,498
(Loss)/Profit Attributable to the Owners of the Company	(2,017)	(2,017)	(2,017)	38,308	38,308	38,308
Financial Ratios						
NTA per Share (S\$)	0.17	0.15	0.14	0.16	0.14	0.14
Gearing (times)	–	–	–	–	–	–
Current Ratio (times)	2.49	2.30	2.28	2.57	2.36	2.34
(Loss)/Earning Per Share ⁽¹⁾ (cents)	(2.39)	(2.39)	(2.39)	45.34	45.34	45.34

Notes:

⁽¹⁾ For (Loss)/Earning Per Share computation, Treasury Shares and Shares cancelled are excluded from the weighted average number of Shares in issue.

⁽²⁾ As a result of rounding differences, numbers or percentages may not add up to the total.

APPENDIX

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the financial year ended 30 September 2018, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.10 Take-over implications arising from share buy-back

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.10.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, Treasury Shares shall be excluded.

2.10.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

APPENDIX

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights, all with one another. For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status; and
- (c) an individual with his close relatives, related trusts and person(s) who are accustomed to act in accordance with his instructions.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

2.10.3 Effect of Rule 14 and Appendix 2

Appendix 2 of the Take-over Code contains the share buy-back guidance note. In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, if, as a result of any purchase or acquisition by the Company of its Shares, the proportionate percentage of voting rights held by a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If as a result of such increase, a Shareholder or group of Shareholders acting in concert with a Director obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert with a Director could become obliged to make a take-over offer for the Company under Rule 14.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

Shareholders (including Directors) and their concert parties who hold more than fifty per cent (50%) of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

2.10.4 Advice to Shareholders

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

APPENDIX

2.10.5 Interests of Directors and Substantial Shareholders

Based on the information set out below, assuming that there is no change to the interest set out below since the Latest Practicable Date, none of the Shareholders, including Directors and persons acting in concert with them respectively, are expected to incur an obligation to make a general offer to other Shareholders under the Take-over Code solely by reason of the Share Buy-Back Mandate.

(i) Interest of Directors

Based on the Register of Directors' Shareholdings of the Company maintained pursuant to Section 164 of the Companies Act, as at the Latest Practicable Date, the shareholdings of the Directors before and after the purchase of Shares (assuming (i) the Company purchases 8,449,800 Shares being the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date; and (ii) there is no change in the number of Shares held or deemed to be held by the Directors) were/will be as follows:

Name of Directors	Before Share Buy Back (Number of Shares)		Before Share Buy-Back (%) ⁽²⁾	After Share Buy-Back (%) ⁽³⁾
	Direct Interest	Deemed Interest		
Tan Pei Hong, (Chen Peifeng) Alex ⁽¹⁾	–	62,466,590	73.93	82.14
Zachary Tan Lian Chye	–	–	–	–
Chiu Joon Sun (Zhao Junsheng)	–	–	–	–
Chee Teck Kwong Patrick	–	–	–	–
Wan Tai Foong	–	–	–	–
Low Chin Parn Eric	–	–	–	–

Notes:

- (1) Tan Pei Hong, Alex (Chen Peifeng), the Group's Executive Director and Chief Executive Officer, is deemed interested in the 62,466,590 shares held by Goldhill Trust Pte. Ltd ("**Goldhill Trust**"), by virtue of his 50% shareholding interest in Goldhill Trust as at the Latest Practicable Date.
- (2) The percentages in the table are calculated based on 84,498,000 Shares as at the Latest Practicable Date.
- (3) The percentages in the table are calculated based on 76,048,200 Shares, assuming the Company purchases the maximum number of ten per cent. (10%) of the Shares as at the Latest Practicable Date.

In the event that the Company undertakes share buy-backs of up to ten per cent. (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholdings and voting rights of Mr. Tan Pei Hong, Alex (Chen Peifeng) shall be 82.14%. As his shareholding interests remains above fifty per cent (50%), no general offer by Mr. Tan Pei Hong, Alex (Chen Peifeng) is required to be made pursuant to the Take-over Code.

APPENDIX

(ii) Substantial Shareholders' interests

Based on the Register of Substantial Shareholders of the Company maintained pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, the shareholdings of the Substantial Shareholders before and after the purchase of Shares (assuming (i) the Company purchases 8,449,800 Shares, being the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date; and (ii) there is no change in the number of Shares held or deemed to be held by the Substantial Shareholders) were/will be as follows:

Name	Before Share Buy Back (Number of Shares)		Before Share Buy-Back (%) ⁽³⁾	After Share Buy-Back (%) ⁽⁴⁾
	Direct Interest	Deemed Interest		
Goldhill Trust ⁽¹⁾	62,466,590	–	73.93	82.14
Ang De Yu	4,746,084	–	5.62	6.24
Tan Theng Hong, Amos ⁽²⁾	–	62,466,590	73.93	82.14

Notes:

- (1) Goldhill Trust is an investment holding company incorporated in Singapore on 10 May 2018. It is held by Messrs Tan Pei Hong, Alex (Chen Peifeng) and Tan Theng Hong, Amos, who each owns 50% of the issued share capital of Goldhill Trust.
- (2) Tan Theng Hong, Amos, is deemed interested in the 62,466,590 shares held by Goldhill Trust, by virtue of his 50% shareholding interest in Goldhill Trust as at the Latest Practicable Date.
- (3) The percentages in the table are calculated based on 84,498,000 issued and paid-up Shares in the ordinary share capital of the Company as at the Latest Practicable Date.
- (4) The percentages in the table are calculated based on 76,048,200 Shares, assuming the Company purchases the maximum number of ten per cent. (10%) of the Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, Goldhill Trust own an aggregate of 73.93% of the shareholdings of the Company.

In the event that the Company undertakes share buy-backs of up to ten per cent (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholdings and voting rights of Goldhill Trust will remain above fifty per cent (50%). Accordingly, no general offer is required to be made pursuant to the Take-over Code.

(iii) Listing status of Shares on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent. (10%) of its Shares are in the hands of the public. The term "public", as defined under the Catalist Rules, are persons other than (i) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries; and (ii) the Associates of persons in (i).

As at the Latest Practicable Date, there are 210 Shareholders and approximately 17,285,326 issued Shares were held by the public, representing 20.46% of the total number of issued Shares.

Notwithstanding the aforesaid, the transfer of shares pursuant to the share purchase agreements entered into between Goldhill and the purchasers of such shares for the purposes of complying with the public float requirement under Rule 723 of the Catalist Rules (the

APPENDIX

"Transfers") are being processed by the Central Depository (Pte) Ltd. ("CDP"). As such, the Company will request to lift its trading suspension upon CDP's approval and completion of the Transfers. The Company will make the appropriate announcements via SGXNET as and when there are material developments on the aforementioned. For illustrative purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares, being 8,449,800 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be reduced to 8,835,526 Shares, representing approximately 11.62% of the remaining issued Shares of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.

Before deciding to effect a purchase of Shares, the Directors will consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

2.10.6 Shares purchased by the Company

The Company has not made any Share purchases in the last 12 months preceding the Latest Practicable Date.

2.11 Timing of purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year results, as the case may be, and ending on the date of announcement of the relevant results.

2.12 Tax implications

Shareholders who are in doubt as to their respective tax positions or tax implications arising from share buy-backs by the Company in their respective jurisdictions should consult their own professional advisers.

3. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2019 AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624, not later than seventy-two (72) hours before the time fixed for the 2019 AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2019 AGM if he so wishes in place of the proxy.

APPENDIX

A Depositor shall not be regarded as a member of the Company entitled to attend the 2019 AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the 2019 AGM.

If a shareholder is required to abstain from voting on a proposal at a general meeting by a listing rule or pursuant to any court order, any votes cast by the shareholder on that resolution will be disregarded by the Company.

4. DIRECTORS' RECOMMENDATION

Having fully considered the rationale set out in paragraph 2.3 of this Appendix, the Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 11 pertaining to the proposed renewal of the Share Buy-Back Mandate to be proposed at the 2019 AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement herein misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6. DOCUMENTS FOR INSPECTION

Copies of the Constitution and the 2018 Annual Report are available for inspection during normal office hours at the registered office of the Company at 80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624 from the date of this Appendix up to the date of the 2019 AGM.

Yours faithfully

For and on behalf of the Board of Directors of
CHEW'S GROUP LIMITED

Zachary Tan Lian Chye
Non-Executive Non-Independent Chairman
16 January 2019

CHEW'S GROUP LIMITED

(Company Registration No.: 201020806C)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

I/We, _____ (Name), _____ (NRIC / Passport No.)

of _____ (Address),

being a member/members* of Chew's Group Limited (the "Company") hereby appoint:

Name	Address	NRIC/ Passport No	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her*, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the AGM of the Company to be held at 9 Kent Ridge Drive, Singapore 119241, Kent Ridge Guild House, Cluny Room, Level 2 on Thursday, 31 January 2019 at 10.00 a.m., and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM.

All resolutions put to the vote of the AGM shall be decided by way of poll.

* Delete as appropriate.

No.	Ordinary Resolutions	Number of Votes For**	Number of Votes Against**
1.	To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2018 together with the Directors' Statement and the Auditors' Report thereon.		
2.	To re-elect Mr. Tan Pei Hong, Alex (Chen Peifeng), a Director retiring pursuant to Regulation 99 of the Company's Constitution.		
3.	To re-elect Mr. Chiu Joon Sun (Zhao Junsheng), a Director retiring pursuant to Regulation 99 of the Company's Constitution.		
4.	To re-elect Mr. Zachary Tan Lian Chye, a Director retiring pursuant to Regulation 99 of the Company's Constitution.		
5.	To re-elect Mr. Chee Teck Kwong Patrick, a Director retiring pursuant to Regulation 99 of the Company's Constitution.		
6.	To re-elect Mr. Low Chin Parn Eric, a Director retiring pursuant to Regulation 99 of the Company's Constitution.		
7.	To re-elect Mr. Wan Tai Foong, a Director retiring pursuant to Regulation 99 of the Company's Constitution.		
8.	To approve the payment of Directors' fees of S\$154,251 for the financial year ending 30 September 2019, payable half yearly in arrears.		
9.	To re-appoint Messrs Deloitte & Touche LLP as external auditors of the Company and to authorise the Directors to fix their remuneration.		
10.	To grant the Directors the authority to allot and issue shares in the capital of the Company.		
11.	To approve the proposed renewal of the Share Buy-Back Mandate.		

** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019

Signature(s) of Member(s) or Common Seal

Total number of Shares Held	
CDP Register	
Member's Register	
TOTAL	

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary) (as defined in Note 3 below) entitled to attend and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a member appoints two (2) proxies, the member must specify the proportion of shareholdings to be represented by each proxy. If no such proportion or number is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
3. A member of the Company who is a Relevant Intermediary entitled to attend and vote at the AGM of the Company is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.
"Relevant Intermediary" means:
 - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 80 Raffles Place #32-01 UOB Plaza 1 Singapore 048624, not less than seventy-two (72) hours before the time set for the AGM of the Company.
6. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the AGM of the Company, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. The Company shall be entitled to reject an instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM of the Company, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy: By attending the AGM of the Company and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

1st fold here



CHEW'S GROUP LIMITED
80 Raffles Place #32-01
UOB Plaza 1
Singapore 048624

2nd fold here

3rd fold here and seal

CHEW'S GROUP LIMITED

38 Jalan Pemimpin #06-06
Singapore 577178