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周 CHEW'S 氏

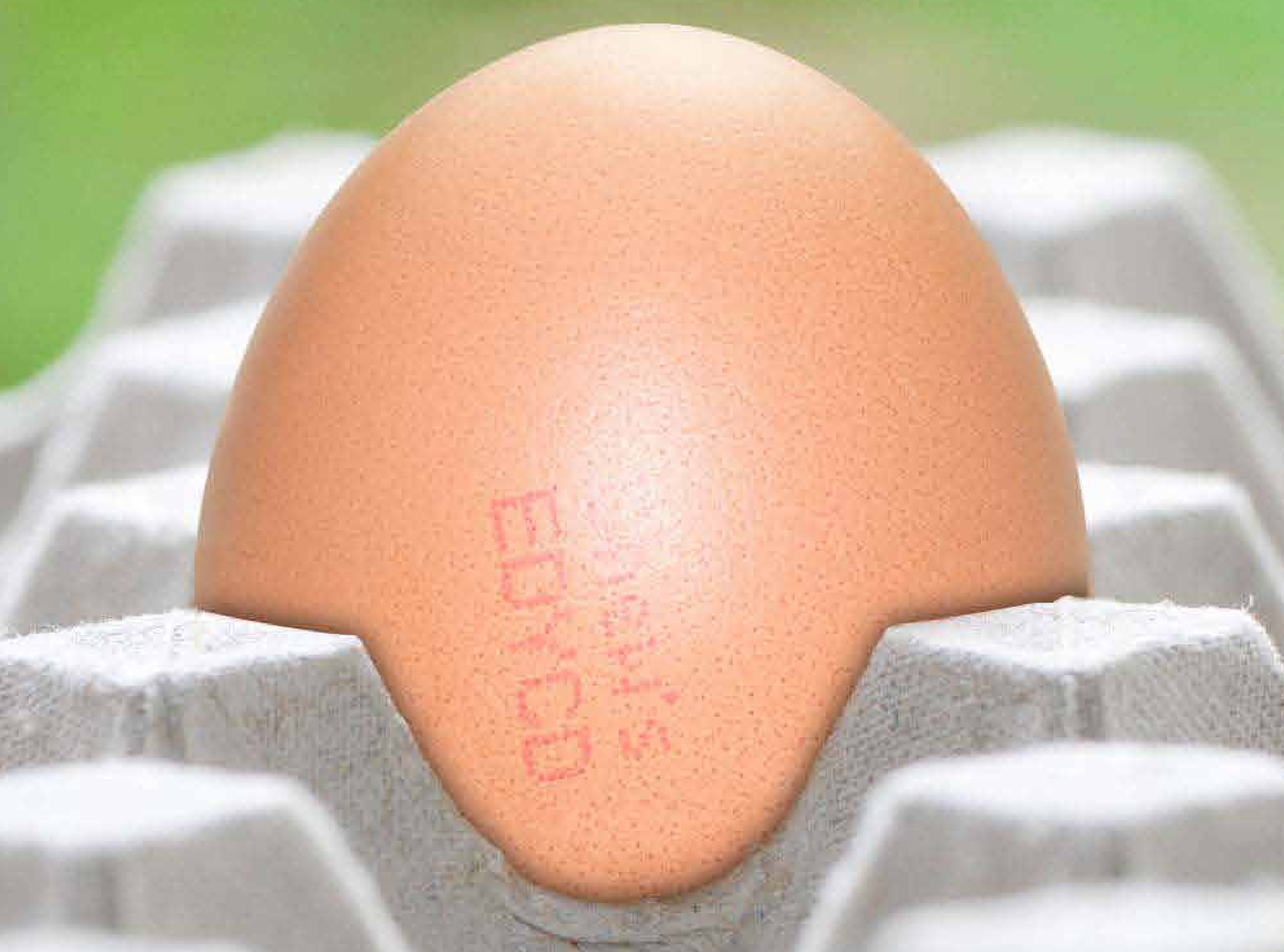
ANCHORED ON SUSTAINABILITY. FOCUSED ON GROWTH.

2017
ANNUAL REPORT

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 Catalist. 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)



INTRODUCTION

From a poultry breeding farm in Choa Chu Kang to one of Singapore's leading producers of fresh eggs, Chew's Group Limited has led a journey of transformation that spans over 40 years. Following our inception in 1975, the Group made the switch to layer farming in 1987 and began distributing eggs to wholesalers. With the chicken soup factory and packaging facility in operation, we enlarged our selection of food products to include our brand of nutritious chicken soup brewed and packaged in our factory and sold to consumers via hypermarkets during the financial year ended 30 September 2017 ("FY2017").

We constantly seek new avenues to enhance our poultry business and we recognise the need to engage in sustainable farming practices that support the long-term viability of our operations and the environment. Accordingly, in FY2017, we launched our cage-free eggs, which are laid by cage-free hens in a barn-like environment.

Today, we are an established market player with a robust presence in Singapore's retail outlets. We also enjoy a strong reputation among global food and beverage chains as a key local supplier of high quality, wholesome and safe eggs. As a testament to our continued commitment to food safety and quality, we intend to become a member of a certain federation that shares the same vision.

In the road ahead, we will persist in enhancing our portfolio of generic and designer eggs. Our new farm along Neo Tiew Road is designed to support our vision of an integrated urban sustainable farming system and further drive growth and sustainability as we generate new value for our shareholders.

We constantly seek new avenues to enhance our poultry business and we recognise the need to engage in sustainable farming practices that support the long-term viability of our operations and the environment.

OUR CORPORATE PROFILE

Chew's Group Limited specialises in the production of a range of healthy and nutritious, generic and designer eggs under the Group's brand name, Chew's. These designer eggs contain value-added nutrients in wholesome amounts and are customised to suit the nutritional needs of different consumers. As a major brand in the retail sector, the Group is also one of the leading suppliers of generic and liquid eggs to Singapore's expanding food and beverage industry. Today, Chew's is a household name in Singapore and a symbol of trust for retailers and consumers alike.

A Diverse Range of Generic & Designer Eggs
Chew's produces an extensive range of generic and designer eggs for the Singapore market. We are the only local producer of black chicken eggs, kampong chicken eggs and cage-free eggs in addition to regular brown eggs. Among the Group's signature products are nutrient-enriched designer eggs. These are created to meet the specific dietary requirements of consumers and such eggs include:

- Cordyceps Fresh Eggs,
- Omega-3 Fresh Eggs,
- Omega-6 Fresh Eggs,
- Organic Selenium Fresh Eggs,
- Sakura Fresh Eggs and Extra Large Sakura Eggs,
- Zeaxanthin Eggs and Zeaxanthin Plus Eggs, and
- Lower Cholesterol Brown Shell Extra Large Eggs, Lower Cholesterol Brown Shell Fresh Eggs, and Corn and Soya Fresh Eggs.

All our eggs meet the nutritional guidelines set by the Health Promotion Board of Singapore ("HPB") as "Healthier Choice" and are approved by the Agri-Food and Veterinary Authority of Singapore ("AVA").

Cage-free Eggs
We launched the cage-free eggs in 2017 and they are the latest addition to our range of eggs. They are produced by hens that are able to freely move around an enclosed space, feed and lay eggs naturally in a communal space. By offering a happier and more relaxed environment for the hens, the eggs produced are healthier and tastier.

Pure Liquid Eggs
Chew's pure liquid eggs, having no additional ingredients, are produced via a pasteurisation process in a strictly controlled environment. They are supplied only to commercial companies in the food and beverage industry, and offer a convenient and safe alternative when preparing egg dishes, bakery items and other food products with eggs as the main ingredient.

Better Utilisation of Spent Grains
Spent grains are a vital part of the Group's egg production business. The Group procures large quantities of spent grains via a tender process and engages in the trading of such unused amounts.

Food Processing
We produce 100% natural chicken soup with no monosodium glutamate ("MSG") at our chicken soup factory. The fully made-in-Singapore broth is brewed from our own chickens and in-house processing facilities to ensure end-to-end control for a top quality product. Through this, we expand our product portfolio and derive better value from our spent hens.

As a major brand in the retail sector, the Group is also one of the leading suppliers of generic and liquid eggs to Singapore's expanding food and beverage industry.

OUR MISSION & OUR VISION

Our mission is to produce healthy and nutritious designer eggs in a controlled, safe and eco-friendly environment.

Our vision is to continue to provide a healthier range of nutritious designer eggs to address the nutritional needs of the different segments of our population and lead the way forward in sustainable farming in Asia.

OUR CORPORATE STRUCTURE

CHEW'S GROUP LIMITED

- CHEW'S GROUP INVESTMENT PTE LTD 100% (SINGAPORE)
- CHEW'S AGRICULTURE PTE LTD 100% (SINGAPORE)
- CHEW'S GROUP MARKETING PTE LTD 100% (SINGAPORE)
- CHEW'S ENGINEERING SERVICES PTE LTD 100% (SINGAPORE)
- CHEW'S FOOD INTERNATIONAL LIMITED 90% (HONG KONG)


CHEW CHEE BIN
EXECUTIVE CHAIRMAN
CHEW ENG HOE
MANAGING DIRECTOR

LETTER TO SHAREHOLDERS

Dear Shareholders,

Throughout FY2017, Chew's Group continued its growth trajectory, delivering a strong performance and robust returns against a challenging economic backdrop. Group revenue grew $2.3 million year-on-year to reach $33.9 million. The 7% increase came on the back of enhanced sales of designer and generic eggs following the launch of our cage-free eggs during the year, as well as higher sales of spent grain.

In FY2016, the Group recorded a one-off gain of $24.4 million from the disposal of land use rights and a substantial part of its property, plant and equipment which added significantly to our income. Disregarding the financial effects arising from the disposal, net profit for FY2016 would be approximately $2.0 million, while that of FY2017 is $3.4 million, marking an increase in profit year-on-year.

Development of the New Farm

The Group has received approval for the plans of our new farm along Neo Tiew Road. On 19 December 2017, we broke ground on the 20-hectare site with construction scheduled to conclude in May 2019. Tapping over 40 years' experience and with our unwavering focus on ensuring sustainability, the layout of the new site is a considerable improvement from our current premises.

Once the construction of the new farm is completed, each layer house which has six tiers will be equipped with a climate control system, allowing it to comfortably shelter 75,000 to 80,000 chickens. The first phase will include the construction of up to 12 layer houses on the new site. While its initial production will match our current levels, the new farm will offer ample space and capacity to further increase production to meet future market demand.

While supporting the sustainability of our business, the new farm will also further our efforts towards achieving close to zero waste and generating green energy via gasification which the Group will be exploring on with suitable partners. Through the waste-to-energy plant, chicken dung and other waste matter from the farm will be converted into electricity, with the residue used as fertilizer.

Meanwhile, plans are in place to ensure our production and operations in the existing farm are unaffected by the impending move.

Enlarging our Business

With an established presence in the Hong Kong market, we persisted in expanding our business and increased the export of designer eggs while growing our offering of Singapore food products during the year. The year in review saw our Hong Kong business account for 8% of the Group's total revenue. Supported by a strong distribution network and robust infrastructure, we are exploring new avenues to enhance our trade activities and further grow our footprint in this market.

While eggs remain our core business, we also seek to raise customer awareness of our brand of chicken soup products via marketing and branding initiatives.

In FY2017, we launched our cage-free eggs as part of our efforts in engaging in sustainable farming methods. The eggs, laid by cage-free hens in a barn-like environment, were very well-received by consumers. Moving forward, we will continually seek opportunities to grow our range of designer eggs in anticipation of new market sentiment and demand.

While eggs remain our core business, we also seek to raise customer awareness of our brand of chicken soup products via marketing and branding initiatives. Brewed using our spent hens and all-natural ingredients, the high-protein product is available in two major supermarket chains in Singapore.

Dividends
The Board recommends a dividend of 0.50 Singapore cents per share for FY2017 (FY2016: 0.49 Singapore cents per share).

A Sustainable Future
Securing sustainability remains the cornerstone of our business. Having built a robust business model based on sustainable farming practices that emphasise safety and quality, we are looking to expand our business overseas and are sourcing for the right partners to ensure a seamless entry into new markets.

We extend our gratitude to our shareholders, suppliers and customers for their steadfast support of the Group during the year. At the same time, we thank our Board, management and staff for their invaluable contributions and dedication as we work towards our vision for a sustainable future.

As we approach a new chapter with the impending move to our new farm, we remain committed to growing shareholder value, enlarging our business and achieving new levels of sustainability to the benefit of all.

Chew Chee Bin
Executive Chairman

Chew Eng Hoe
Managing Director

BOARD OF DIRECTORS

MR. CHEW CHEE BIN, 58, is our Executive Chairman and was appointed to our Board on 30 September 2010. He was last re-elected on 25 January 2017. He is also a member of our Nominating Committee and Risk Committee. He is responsible for directing the strategic plans and growth of our Group. Mr Chew Chee Bin is presently the founding member and director of Singapore Agro-Foods Enterprises Federation (SAFEF) Limited. Prior to joining our Group, Mr. Chew Chee Bin was engaged in the business of construction materials trading through Sunrise Resources Pte. Ltd. and Celplex Resources Sdn Bhd as well as the manufacture and sale of concrete and precast products through Celplex Sdn Bhd, Sunrise Concrete Industries Pte Ltd and Celplex Precast Sdn Bhd.

Trained as a civil engineer, Mr. Chew Chee Bin has more than 25 years of experience in major infrastructure and property construction as well as civil engineering and building work both locally and overseas. He held positions of civil or project manager in the Civil Aviation Authority of Singapore as well as various companies including Bachy Soletanche Singapore Pte. Ltd., Société Auxilliaire D'Entreprises, L & M Geotechnic Pte Ltd, Torie Construction Pte Ltd and Asia-Link Construction Pte Ltd. From 1996 to 2002, he was the general manager of Trevi Contractors (S) Pte Ltd.

Mr. Chew Chee Bin obtained a Technician Diploma (Civil Engineering) from the Singapore Polytechnic and holds a Bachelor of Engineering in Civil Engineering (Division A) (Second Class Honours) from The University of Western Australia.

MR. CHEW ENG HOE, 52, is our Managing Director and was appointed to our Board on 30 September 2010. He was last re-elected on 24 January 2014. He is also a member of our Nominating Committee and Risk Committee. He has more than 30 years of experience in the poultry industry. Mr. Chew Eng Hoe is instrumental to our growth and development and is responsible for our Group's overall operations and management, with a focus on procurement, sales and marketing, production, research and product development. He started work at Chew's Agriculture Pte Ltd ("CAPL") in 1987 as a project manager and assisted in setting up the premises of our layer farm. In 1989, Mr. Chew Eng Hoe was appointed as a director of CAPL and became its Managing Director in 2002, a position which he holds to-date.

BOARD OF DIRECTORS

MR. YUEN SOU WAI, 63, is our Lead Independent Director and was appointed to our Board on 19 January 2011. He was last re-elected on 26 January 2016. Mr. Yuen currently chairs the Audit Committee and is a member of our Remuneration Committee, Nominating Committee and Risk Committee. He is currently the Lead Independent Director of Huationg Global Limited which is listed on Catalist of the SGX-ST. Mr. Yuen is also an Independent Director at YHI International Limited, a company listed on the official list of the Main Board of the SGX-ST.

Prior to his appointment as a non-executive director of YHI International Limited, Mr. Yuen was the group Chief Financial Officer as well as executive director responsible for the Group's operations in Australia, New Zealand, Italy, the United States of America and Canada.

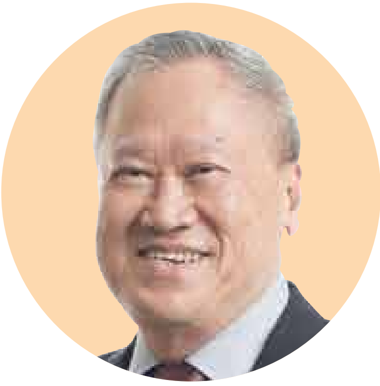
Mr. Yuen has more than 36 years of broad-based financial management experiences in various large local and global multinational companies. He has held several senior financial positions including Chief Financial Officer, Regional Finance Director and Group Financial Controller in the Asia Pacific region. Mr. Yuen holds a Master in Business Administration Degree from the University of Leicester, United Kingdom. He is a Fellow of the Chartered Institute of Management Accountants of the United Kingdom, a Fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

MR. CHONG CHIN FAN, 67, is our Independent Director and was appointed to our Board on 19 January 2011. He was last re-elected on 26 January 2016. Mr. Chong currently chairs the Remuneration Committee and is a member of our Audit Committee, Nominating Committee and Risk Committee. Mr. Chong was the Executive Director and Vice President (Finance) of Wilton Resources Corporation Limited from 2013 to 2017 and the Chief Financial Officer of Luye Pharma Group Ltd. from 2004 to 2012.

Mr. Chong graduated as a certified public accountant in the United Kingdom in 1976 and has more than 40 years of experience in the audit and finance industry and held various senior positions in global multinational companies including KPMG LLP, Wah-Chang International Group, Singapore and Econ International Group.

Mr. Chong is a Fellow of The Institute of Singapore Chartered Accountants, and was a Fellow of The Association of Chartered Certified Accountants of the United Kingdom.

BOARD OF DIRECTORS



DR. CHOO BOON SENG, 73, is our Independent Director and was appointed to our Board on 19 January 2011. He was last re-appointed on 28 March 2016. Dr. Choo currently chairs the Nominating Committee and is a member of our Audit Committee, Remuneration Committee and Risk Committee. Dr. Choo is presently a director of Brilliant Strategies Corporation Pte. Ltd., which offers consulting services in the area of General Enterprises Management, Animal Nutrition and Farm Management, and specialty feed additives.

Prior to his present position, Dr. Choo had been serving as a technical adviser in the Food and Agriculture Organization (FAO) of the United Nations and other international organizations in Africa and Asia Pacific region.

Dr. Choo is a 45-year veteran of the argo-technology industry. He had held several positions including consultant in International Development Research Centre (IDRC), Canada, Australian Agricultural Consultants and Management (AACM) Pty. Ltd. and ACIL Consulting International Ltd., Australia. He holds a PhD degree in Biochemistry/Nutrition from the University of New England, Australia.

MR. CHEW CHEE KEONG, 49, is our Non-Executive Director and was appointed to our Board on 19 January 2011. He was last re-elected on 25 January 2017. He is also a member of our Remuneration Committee and Risk Committee. Mr. Chew is currently the Executive Director and one of the co-founders of Acromec Limited which is listed on the Catalist Board of SGX-ST. He is responsible for its project planning and implementation and also oversees its engineering and quality assurance functions. He was a director when he joined Acromec Limited (then Acromec Engineers Pte Ltd) in 1996.

Mr. Chew Chee Keong started his career at Meinhardt (Singapore) Pte Ltd in 1994, as a mechanical engineer and was responsible for project planning, building services system design, project coordination as well as testing and commissioning of building services for residential and commercial buildings.

Mr. Chew Chee Keong holds a Diploma in Mechanical Engineering from the Singapore Polytechnic and also obtained a Bachelor of Engineering in Mechanical Engineering with a Second Class (Division 1) Honours from the University of Glasgow.

EXECUTIVE OFFICERS

MS. TAY BEE GEK DORRIZ, 47, 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 obtained a Degree of 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. TAN CHEE NAM, 69, is our General Manager, Production, who joined our Group in 1990. He has more than 40 years of experience in the poultry industry. Mr Tan Chee Nam is responsible for the production activities, operation and management of our layer farm and also leads our Group's research and development activities together with our Managing Director, Mr. Chew Eng Hoe. He started his career as a hatchery manager with Singapore Breeding Farm (Private) Limited in 1971 where he was subsequently appointed as its poultry section manager and farm manager in 1974 and 1980 respectively. Prior to joining our Group in 1990, he was the farm manager of Century Farm Pte Ltd from 1987 to 1990.

Mr Tan Chee Nam graduated from the then-existing Nanyang University with a Degree of Bachelor of Science (Department of Biology) with Second Class (Upper Division) honours and holds a Diploma in Business Administration from the National University of Singapore.

EXECUTIVE OFFICERS

MR. CHEW ENG KENG, 54, is our Maintenance and Engineering Manager in charge of the maintenance and repair of all existing farm equipment and machinery. He is also in charge of the upgrading works of the farm equipment and machinery. Mr. Chew Eng Keng joined CAPL as a farm supervisor after his graduation in 1990 and was subsequently appointed to his current position in 2002. He holds a Higher Stage Group Diploma in Accounting from the London Chamber of Commerce and Industry as well as a Diploma in Animal and Veterinary Science from the National Pingtung Institute of Agriculture in Taiwan.

MR. CHEW ENG KIAT, 56, is our Production Manager who assists our General Manager, Production, Mr. Tan Chee Nam, in the production and daily operations of our layer farm. He started his career as a farm supervisor of Chew's Poultry Farm from 1984 to 1991, where he supervised the daily operations of the farm. Prior to joining CAPL in 2007, Mr. Chew Eng Kiat was a freelance taxi driver from 1991 to 2006. Mr. Chew Eng Kiat holds a Diploma in Animal and Veterinary Science from the National Pingtung Institute of Agriculture in Taiwan.

MR. TAN SWEE TECK, 58, is our Sales and Marketing Manager responsible for our Group's sales to hypermarkets, supermarkets and food and beverage outlets. Prior to joining our Group in 2002, he was a sales executive with Pacson Marketing Pte Ltd from 1999 to 2001 and Winmac Manufacturing Pte Ltd from 1988 to 1999, where he sold houseware products.

MR. CHEW CHU HOO, 59, is our Sales Manager responsible for our Group's sales to egg wholesalers and walk-in customers. He ensures that orders are fulfilled in a timely and orderly manner and also assists our management in fixing the prices of our products. Mr. Chew Chu Hoo joined CAPL in 1987 as a sales personnel and was promoted to his current position in 2002.

CORPORATE INFORMATION

Board of Directors:
Chew Chee Bin (Executive Chairman)
Chew Eng Hoe (Managing Director)
Chew Chee Keong (Non-Executive Director)
Yuen Sou Wai (Lead Independent Director)
Chong Chin Fan (Independent Director)
Dr. Choo Boon Seng (Independent Director)

Audit Committee:
Yuen Sou Wai (Chairman)
Chong Chin Fan
Dr. Choo Boon Seng

Remuneration Committee:
Chong Chin Fan (Chairman)
Yuen Sou Wai
Dr. Choo Boon Seng
Chew Chee Keong

Nominating Committee:
Dr. Choo Boon Seng (Chairman)
Yuen Sou Wai
Chong Chin Fan
Chew Chee Bin
Chew Eng Hoe

Risk Committee:
Chew Chee Bin (Chairman)
Chew Eng Hoe
Chew Chee Keong
Yuen Sou Wai
Chong Chin Fan
Dr. Choo Boon Seng

Company Secretary:
Tay Bee Gek, Dorriz
Janet Tan

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#32-01 UOB Plaza 1
Singapore 048624
Tel : 65 6225 2626
Fax : 65 6225 1838
Electronic mail address :
chewsegg@singnet.com.sg
Website : www.chewsegg.com

Principal Place of Business:
20 Murai Farmway
Singapore 709153

Company Registration No:
201020806C

Auditors:
Deloitte & Touche LLP
6 Shenton Way OUE Downtown 2
#33-00
Singapore 068809
Partner-in-charge: Ms. Lim Bee Hui

(Appointed with effect from financial year ended September 30, 2013)

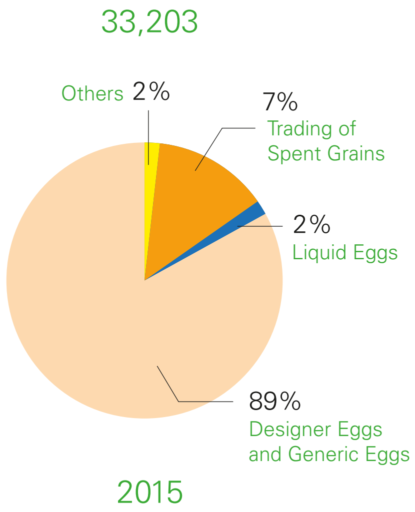
Sponsor:
PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

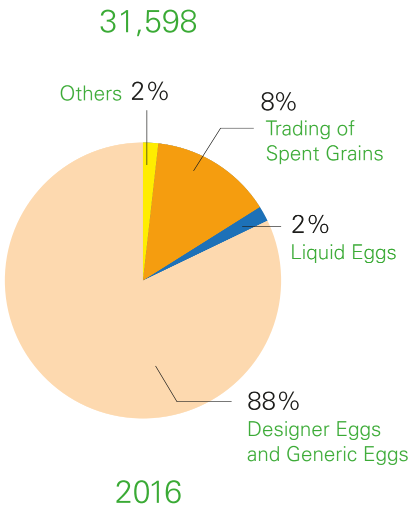
Share Registrar:
Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898

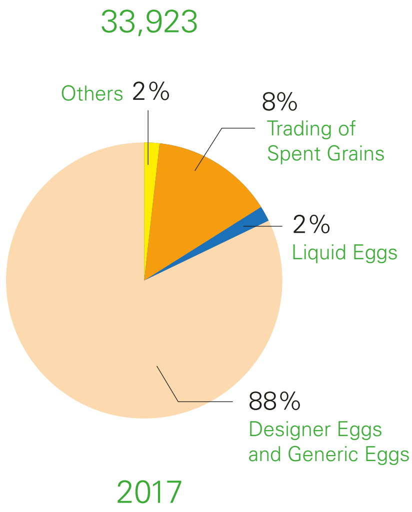
Bankers:
Standard Chartered Bank
United Overseas Bank Limited
Development Bank of Singapore
Hong Leong Finance Limited
Oversea-Chinese Banking Corporation Limited

FINANCIAL HIGHLIGHTS

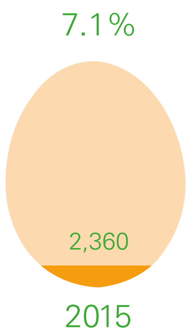
Revenue (S$'000)

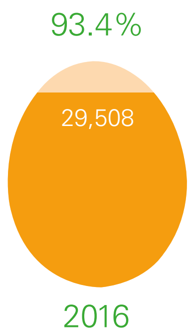


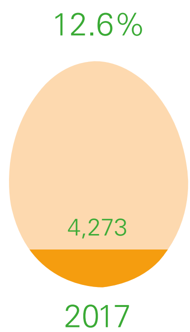




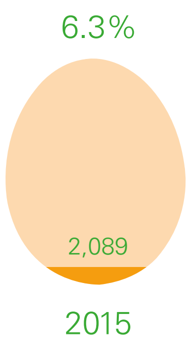
Profit before Income Tax (S$'000)
Profit before Income Tax Margin

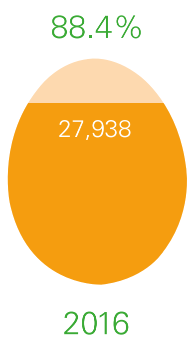


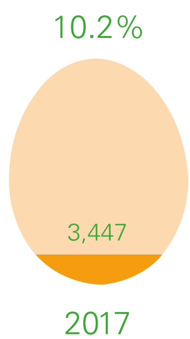




Net Profit after Tax (S$'000)
Net Profit after Tax Margin







OPERATING RESULTS

Revenue

The Group continues to deliver a robust performance in FY2017. During the year, revenue rose 7% to reach $33.9 million, compared to $31.6 million in FY2016. This revenue growth stemmed from increased sales of designer and generic eggs by $2.1 million and trading spent grains of $0.2 million. We achieved higher revenue from sales of eggs in FY2017 owing to an uptick in sales volume that resulted partially from the launch of our cage-free eggs. Meanwhile, the increased revenue from trading spent grains was brought on by greater quantities sold to a particular customer.

The Group's other income declined from $28.6 million in FY2016 to $1.0 million this financial year, representing a year-on-year drop of $27.6 million. This decrease in FY2017 was driven largely by three factors. Firstly, FY2016 recorded a $24.4 million one-time gain on disposal and recognition of $3.8 million in government grants, of which $3.2 million pertained to the Group's disposal of its land use rights and a considerable part of its property, plant and equipment (the "Disposed Assets") as compared to government grant income of $0.3 million recognised in FY2017. Secondly and thirdly, the year in review saw a $0.1 million reduction in sundry income owing to lower wage credit from the government. In particular, the Group obtained grants in FY2016 for investments in laser printing machines for our eggs and to fund our research and development efforts in vegetable farming. These were mitigated by a rise in interest income and foreign exchange gains amounting to $0.2 million.

Operating Expenses

The Group's inventories, comprising mainly feed raw materials, climbed $0.2 million to reach $1.4 million as at 30 September 2017.

Purchase of materials reached $6.4 million this year, rising by 75% or $2.7 million from $3.7 million in FY2016. Contributing to the increase in FY2017 were higher feed raw materials of approximately $1.4 million to meet increased sales and production volumes, and the utilisation of about $0.9 million of feed inventories in FY2016 that was acquired in FY2015 at a lower price which led to reduced purchase of materials in FY2016 as opposed to FY2017. Other factors driving this increase were the greater usage of packaging materials of $0.2 million and the purchase of spent grains amounting to $0.2 million to support the Group's increased sales volume.

Employee expense benefits recorded a decline to $4.8 million in FY2017, marking a drop of 9% or $0.5 million compared to $5.3 million the year before. The decrease was mainly due to reduced bonus accrual and a lower headcount in the support unit.

Other operating expenses dipped by $0.7 million or 15%, from $4.5 million in FY2016 to $3.8 million this financial year. This decline was mainly brought on by the lower loss from the disposal and write-off of biological assets amounting to $0.8 million, as the Group managed to reduce degeneration and disposal costs by $0.7 million and increase revenue from the sale of spent hens by $0.1 million.

During the year in review, the Group's finance expenses dropped to $42,000, signalling a decrease of $77,000 compared to the previous year, mainly owing to the early settlement of finance leases on the Disposed Assets in May 2016.

Meanwhile, FY2017 saw the Group's income tax expenses declining from $1.6 million to $0.8 million – of which $0.1 million represented additional tax levied on previous years. This resulted from the provision for income tax on the balancing charge of the Disposed Assets of $1.8 million in FY2016 and was partially offset by lower deferred tax of $0.8 million.

Net Profit
The Group registered a net profit of $3.4 million, representing an 88% decline of $24.5 million from $27.9 million in FY2016. This reduction came about mainly from the $24.4 million one-time gain on the Disposed Assets in FY2016. Disregarding the financial effects arising from the disposal of the Disposed Assets, net profit for FY2016 would have been approximately $2.0 million, as compared to $3.4 million in FY2017, representing an increase of $1.4 million.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP

As at 30 September 2017, the Group's total assets stood at $67.3 million, representing an increase of $1.0 million compared to $66.3 million at the end of FY2016. The Group's current assets, which make up 77.3% of total assets, grew from $51.3 million in FY2016 to $52.0 million at the close of FY2017. This $0.7 million increase was chiefly attributable to the $0.8 million uptick in trade receivables in tandem with higher sales this year and the $0.2 million rise in inventories of feed raw materials. However, these were partially offset by a lower bank balance of $0.4 million.

Accounting for 22.7% of total assets, non-current assets totalled $15.3 million, marking a rise of $0.4 million from $14.9 million at the close of FY2016. This increase was brought on largely by an increase in the value of biological assets amounting to $1.1 million, owing to the Group raising the average production cycle of its biological assets. It was partly offset by a drop in property, plant and equipment of $0.7 million owing to depreciation.

The Group's total liabilities fell from $14.6 million at the end of FY2016 to $12.6 million as at 30 September 2017. Contributing to the $2.0 million decline this year were lower income tax payable of $1.4 million as the Group made payment of $2.1 million in FY2017, and was partially offset by the $0.7 million tax provision this financial year, as well as repayments of bank loans and finance leases amounting to $0.6 million.

At the close of FY2017, the Group generated a positive working capital of around $39.9 million.

REVIEW OF THE STATEMENT OF CASH FLOW FOR THE GROUP

Cash and cash equivalents marked a decrease of $0.4 million from $45.2 million at the close of FY2016 to $44.8 million as at 30 September 2017.

During the year, the Group generated net cash from operating activities of $17.6 million that was mainly attributable to operating profit before working capital changes of $20.6 million, net working capital changes amounting to $0.7 million as well as interest and income tax payments of $2.2 million. An increase in trade and other receivables, inventories and trade and other payables accounted primarily for the net working capital change.

FY2017 saw the Group channel $17.0 million towards investing activities mainly owing to the purchases of biological assets of $17.7 million.

Meanwhile, net cash utilised in financing activities reached $1.0 million this financial year, in light of repayments of bank loans and finance leases and payment of dividends.

We continued to grow our footprint in Hong Kong with higher export volumes and greater product offerings.

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 (the "**Company**" and together with its subsidiaries, 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 the financial year ended 30 September 2017 ("**FY2017**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**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?	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	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 FY2017.

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS
The Board's Conduct of Affairs</td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>
The Board has six (6) members and comprises the following:

<table>
<tr><th colspan="2">Table 1.1 – Composition of the Board</th></tr>
<tr><th>Name of Director</th><th>Designation</th></tr>
<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>
</table>

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.
</td></tr>
<tr><td>1.3</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>
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 (the "Risk Committee") (collectively, the "Board Committees"). The compositions of the Board Committees are as follows:

<table>
<tr><th colspan="5">Table 1.3 – Composition of the Board Committees</th></tr>
<tr><th></th><th>AC[1]</th><th>NC[2]</th><th>RC[3]</th><th>Risk Committee</th></tr>
<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>
</table>

Notes:
(1) The AC comprises three (3) members, all of whom (including the Chairman) is independent.
(2) The NC comprises five (5) members, the majority of whom (including the Chairman) is independent.
(3) The RC comprises four (4) members, the majority of whom (including the Chairman) is independent.
</td></tr>
</table>

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>
The Board meets on a half-yearly basis, and as and when circumstances require. In FY2017, the number of the Board and the Board Committee meetings held and the attendance of each Board member are shown below.
<table>
<tr><th colspan="5">Table 1.4 – Board and Board Committee Meetings in FY2017</th></tr>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Number of Meetings Held</td><td>2</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>2</td><td>2*</td><td>1</td><td>1*</td></tr>
<tr><td>Chew Eng Hoe</td><td>2</td><td>2*</td><td>1</td><td>1*</td></tr>
<tr><td>Yuen Sou Wai</td><td>2</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Chong Chin Fan</td><td>2</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Choo Boon Seng</td><td>2</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Chew Chee Keong</td><td>2</td><td>2*</td><td>1*</td><td>1</td></tr>
</table>
* By invitation
The Company's Constitution (the "Constitution") allows for Board meetings to be held by way of tele-conferences and through other electronic communications equipment.
</td></tr>
<tr><td>1.5</td><td>What are the types of material transactions which require approval from the Board?</td><td>
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 Management to optimise operational efficiency guided by internal policies and limits of authority.
Specifically, matters and transactions that require the Board's approval include, amongst others, the following:

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.

</td></tr>
</table>

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.	All newly appointed Directors will undergo an orientation programme where the Director would 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. 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. There were no appointments of new Directors in FY2017.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	During FY2017, 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. In addition, the Board visits the Group's operational facilities on a half-yearly basis.
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.	In view that the Chairman of the Board (the "**Chairman**") is part of the management team and is not an independent director, Independent Directors should make up at least half of the Board. As three (3) out of six (6) Directors on the Board are Independent Directors, Guideline 2.2 of the Code is satisfied. To strengthen the independence of the Board, Mr Yuen Sou Wai has also been appointed as the Lead Independent Director of the Company and makes himself available to shareholders at the Company's general meetings. The Lead Independent Director is also responsible for leading the meetings of independent directors and providing feedback to the Chairman.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	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.

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(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. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	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.
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.
2.5	What are the steps taken by the Board to progressively renew the Board composition?	The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required. To meet the changing challenges in the industry which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on an annual basis to ensure that the Board dynamics remain optimal.

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>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?</td><td>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.</td></tr>
<tr><td>2.6</td><td>(a) What is the Board's policy with regard to diversity in identifying director nominees?</td><td>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.</td></tr>
<tr><td></td><td>(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.</td><td>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:
<table>
<tr><th colspan="3">Table 2.6 – Balance and Diversity of the Board</th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>- Accounting or finance</td><td>2</td><td>33%</td></tr>
<tr><td>- Business management</td><td>6</td><td>100%</td></tr>
<tr><td>- Legal or corporate governance</td><td>2</td><td>33%</td></tr>
<tr><td>- Relevant industry knowledge or experience</td><td>3</td><td>50%</td></tr>
<tr><td>- Strategic planning experience</td><td>6</td><td>100%</td></tr>
<tr><td>- Customer based experience or knowledge</td><td>4</td><td>67%</td></tr>
</table></td></tr>
<tr><td></td><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board has taken the following steps to maintain or enhance its balance and diversity:

• 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.

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.</td></tr>
</table>

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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 Management. The Non-Executive Directors had met at least once in the absence of key management personnel in FY2017.
Chairman and Chief Executive Officer		
3.1 3.2	Are the duties between Chairman and CEO segregated?	The roles of the Executive Chairman and the Managing Director are separate and distinct, each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Executive Chairman and the Managing Director will ensure 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 are held by Mr Chew Chee Bin and Mr Chew Eng Hoe respectively. As the Executive Chairman, Mr Chew Chee Bin is responsible to the Board for the corporate directions, operational efficiency and development of the Group. The Executive Chairman will also conduct reviews of the Group's policies and strategies and ensure cohesive working relationship and timeliness of information flow between the Board and Management. As the Managing Director, Mr Chew Eng Hoe leads the management team and is responsible for the day-to-day operations of the Group. He also supports the Executive Chairman in creating business opportunities and driving the Group's growth and development both locally and overseas. Notwithstanding that Mr Chew Chee Bin and Mr Chew Eng Hoe are cousins, the Board is satisfied that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.
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 FY2017, 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, if it is necessary.

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Membership		
4.1 4.2	What are the duties of the NC?	The NC is guided by key terms of reference as follows: (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 regards 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 Executive Chairman and the Managing Director; (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 programs 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 capped 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?	Notwithstanding that some of the Directors have multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company. Only three (3) Directors have directorships in other listed companies and each of them holds not more than two (2) other directorships. As such, the Board does not fix the maximum number of listed company board representations which any Director may hold. However, the NC will from time to time review the maximum number of listed company board representations and other principal commitments which any Director may hold to ensure that the Directors continue to meet the demands of the Group and are able to discharge 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: • 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 has 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 is satisfied that all Directors have discharged their duties adequately for FY2017.
4.5	Are there alternate Directors?	The Company does not have any alternate Directors.

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th colspan="3">Company's Compliance or Explanation</th></tr>
<tr><td rowspan="9">4.6</td><td rowspan="9">Please describe the board nomination process for the Company for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</td><td colspan="3">Table 4.6(a) – Process for the Selection and Appointment of New Directors</td></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• 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>2.</td><td>Search for suitable candidates</td><td>• 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>3.</td><td>Assessment of shortlisted candidates</td><td>• The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
<tr><td colspan="3">Table 4.6(b) – Process for the Re-electing Incumbent Directors</td></tr>
<tr><td>1.</td><td>Assessment of director</td><td>• The NC would assess the performance of the director in accordance with the performance criteria set by the Board.

• The NC would also consider the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of director</td><td>• 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>
</table>

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>Under Regulation 100 of the Constitution, at least one-third of the Directors are required to retire by rotation and submit themselves for re-election at each annual general meeting of the Company.

The NC has recommended to the Board that Mr Yuen Sou Wai and Mr Chong Chin Fan be nominated for re-election at the forthcoming annual general meeting of the Company ("AGM"). Mr Yuen Sou Wai will, upon re-election as a Director, remain as the Lead Independent Director of the Company, Chairman of the AC and a member of the NC, RC and Risk Committee. Mr Chong Chin Fan, upon re-election as a Director, will remain as an Independent Director of the Company, the Chairman of the RC and a member of the AC, NC and Risk Committee.

Mr Yuen Sou Wai and Mr Chong Chin Fan will be considered independent for the purposes of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules").</td></tr>
<tr><td>4.7</td><td>Please provide Directors' key information.</td><td>The key information of the Directors, including their appointment dates and directorships held in other listed companies in the past three (3) years, are set out on pages 10 to 12 of this annual report.</td></tr>
<tr><td>5.1
5.2
5.3</td><td>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?</td><td>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.

<table><tr><th colspan="2">Table 5 Performance Criteria for Board Evaluation</th></tr><tr><td>Qualitative</td><td>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>Quantitative</td><td>1. Performance of the Company
2. Return on equity
3. Earnings per share for shareholders</td></tr></table>
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.

The NC did not propose any changes to the performance criteria for FY2017 as compared to the previous financial year as the Board composition and the Group's principal business activities remained the same since FY2016.</td></tr>
</table>

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>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.</td></tr>
<tr><td></td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>The review of the performance of the Board is conducted by the NC annually.

For FY2017, the review process was as follows:

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.

No external facilitator was used in the evaluation process.</td></tr>
<tr><td></td><td>(b) Has the Board met its performance objectives?</td><td>Yes, the Board has met its performance objectives for FY2017.</td></tr>
<tr><td colspan="3">Access to Information</td></tr>
<tr><td>6.1
6.2
10.1
10.3</td><td>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?</td><td>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). 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:
<table>
<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>
<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>
</table>
</td></tr>
</table>

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. All Directors have direct and independent access to key management personnel.
6.3 6.4 6.5	What is the role of the Company Secretary?	All Directors have separate and independent access to the Company Secretary and are able to obtain independent professional advice at the Company's expenses. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows: • 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 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?	The RC is guided by key terms of reference as follows: (a) review and recommend to the Board, in consultation with the Executive Chairman and the Managing Director, 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; (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 (c) review and approve the granting of share options and/or performance shares to Directors and employees.
7.3	Were remuneration consultants engaged in the last financial year?	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 FY2017. The service of an external remuneration consultant will be sought, as and when necessary.
8.4	Are "claw-back" provisions provided for in the service agreements of Executive Directors and key management personnel?	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.
Disclosure on Remuneration		
9	What is the Company's remuneration policy?	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 the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market or the industry.

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.1
9.2</td><td>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?</td><td>The breakdown for the remuneration of the Directors for FY2017 is as follows:

<table>
<tr><th colspan="7">Table 9 – Directors' Remuneration</th></tr>
<tr><th>Name</th><th>Remuneration (S$)</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Benefits-in-kind (%)</th><th>Total (%)</th></tr>
<tr><td>Chew Chee Bin</td><td>320,776</td><td>69</td><td>31</td><td>-</td><td>-</td><td>100</td></tr>
<tr><td>Chew Eng Hoe</td><td>344,776</td><td>64</td><td>29</td><td>-</td><td>7</td><td>100</td></tr>
<tr><td>Yuen Sou Wai</td><td>42,350</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
<tr><td>Chong Chin Fan</td><td>36,300</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
<tr><td>Choo Boon Seng</td><td>36,300</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
<tr><td>Chew Chee Keong</td><td>36,300</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
</table>

There are no termination, post-employment and retirement benefits that may be granted to the Directors.

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.</td></tr>
</table>

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The disclosure for the remuneration of the Company's key management personnel (who are not Directors or the Managing Director) for FY2017 is as follows:
<table>
<tr><th colspan="5">Table 9.3 – Remuneration of Key Management Personnel</th></tr>
<tr><th>Name</th><th>Remuneration Band (S$)</th><th>Base/ Fixed Salary (%)</th><th>Variable bonus (%)</th><th>Total (%)</th></tr>
<tr><td>Tay Bee Gek, Dorriz</td><td>< 250,000</td><td>77</td><td>23</td><td>100</td></tr>
<tr><td>Chew Eng Kiat</td><td>< 250,000</td><td>78</td><td>22</td><td>100</td></tr>
<tr><td>Chew Eng Keng</td><td>< 250,000</td><td>78</td><td>22</td><td>100</td></tr>
<tr><td>Chew Chu Hoo</td><td>< 250,000</td><td>78</td><td>22</td><td>100</td></tr>
<tr><td>Tan Chee Nam</td><td>< 250,000</td><td>78</td><td>22</td><td>100</td></tr>
<tr><td>Tan Swee Teck</td><td>< 250,000</td><td>78</td><td>22</td><td>100</td></tr>
</table>
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.

There are no termination and retirement benefits that may be granted to the key management personnel.</td></tr>
<tr><td></td><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the top five (5) key management personnel for FY2017 was S$839,717.</td></tr>
<tr><td>9.4</td><td>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.</td><td>The Company's Production Manager, Mr Chew Eng Kiat and the Company's 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 falls within the band of S$150,000 and S$200,000 and Mr Chew Eng Keng falls within the band of S$100,000 and S$150,000 for FY2017.

The Company's 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 falls within the band of S$50,000 and S$100,000 for FY2017.

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 FY2017.</td></tr>
</table>

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>Information on the Company's Employee Share Option Scheme ("ESOS") and Performance Share Plan ("PSP") are set out on pages 48 to 49 of this Annual Report and further information can be found in the Company's Offer Document dated 16 February 2011.</td></tr>
<tr><td rowspan="3">9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>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 FY2017. 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.</td></tr>
<tr><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>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:
<table>
<tr><th colspan="3">Table 9.6(b) – Performance Incentives Criteria</th></tr>
<tr><th>Performance Conditions</th><th>Short-term Incentives
(such as performance bonus)</th><th>Long-term Incentives
(such as the ESOS and PSP)</th></tr>
<tr><td>Quantitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices
6. Macro-economic factors</td><td>1. Group's major project or development
2. Current market and industry practices</td></tr>
<tr><td>Quantitative</td><td>1. Profit Before Tax of at least S$2 million</td><td></td></tr>
</table></td></tr>
<tr><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2017.

For FY2017, all the Executive Directors and key management personnel were entitled to receive the incentive bonuses under their respective service agreements according to the performance conditions met.</td></tr>
</table>

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.	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, overseeing the implementation of risk management framework to ensure that risk are identified and managed. The Risk Committee, which comprises of 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 Chief Financial Officer ("**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. The Risk Committee determines the Company's levels of risk tolerance and risk policies, and oversees 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.

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
11.3	(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.	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 FY2017. The bases for the Board's view are as follows: 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 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. In relation to sustainability, the Group has a vision of creating an integrated urban sustainable farming system and the Group has been exploring new avenues to advance this goal. Over the years, the Group has achieved the following: • setting up a chicken soup factory which utilises spent hens for the production of chicken soup; • constructed a Biogas Plant which currently churns 300kWh; and • concluded research on converting wastewater from the Biogas Plant into concentrated liquid fertiliser. The design and construction of the new farm at the new site along Neo Tiew Road will further enhance the aforesaid vision.

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(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?	Yes, the Board has obtained such assurance from the Managing Director and CFO in respect of FY2017. 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 Singapore Companies' Act, Chapter 50 and the financial statements give a true and fair view of the financial position of the Group and of the Company as at September 30, 2017, 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.
Audit Committee		
12.1 12.3 12.4 12.9	What is the role of the AC?	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. In performing its functions in accordance with a set of terms of reference, the AC meets to, *inter alia*, discuss and review the following: (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;

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		(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. The AC has authority to investigate any matter within its term of reference and have been given full access to 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.
12.2	Are the members of the AC appropriately qualified to discharge their responsibilities?	Yes, the Board considers Mr Yuen Sou Wai, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Mr Chong Chin Fan, a member of the AC is also trained in accounting and financial management. The members of the AC collectively have a combined 76 years of strong accounting and related financial management expertise and experience and are appropriately qualified to discharge their responsibilities.
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 FY2017.
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.

Corporate Governance Report

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>

Table 12.6 (a) – Fees Paid/Payable to the EA for FY2017

<table>
<tr><th></th><th>S$</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>114,500</td><td>85</td></tr>
<tr><td>Non-audit fees</td><td></td><td></td></tr>
<tr><td>- Tax advice</td><td>19,700</td><td>15</td></tr>
<tr><td>Total</td><td>134,200</td><td>100</td></tr>
</table>

</td></tr>
<tr><td></td><td>(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.</td><td>The non-audit services rendered during FY2017 were not substantial.</td></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>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@chewsegg.com.sg.</td></tr>
<tr><td>12.8</td><td>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?</td><td>In FY2017, the AC was kept abreast by the EA of changes to accounting standards and issues which have a direct impact on financial statements.</td></tr>
<tr><td colspan="3">Internal Audit</td></tr>
<tr><td>13.1
13.2
13.3
13.4
13.5</td><td>Please provide details of the Company's internal audit function, if any.</td><td>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 IA is adequately qualified (given, inter alia, 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.</td></tr>
</table>

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		The AC is satisfied that the IA is able to discharge its duties effectively based on the following considerations: • with a team of between two to five 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, *inter alia*, 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.
SHAREHOLDER RIGHTS AND RESPONSIBILITIES **Shareholder Rights**		
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 votings are announced on 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 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.
Communication with Shareholders		
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 will consider the appointment of a professional investor relations officer to manage the function should the need arises.

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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 does not have a dedicated investor relations team. The Company's Executive Chairman, Managing Director and CFO are responsible for the Company's communication with shareholders.
	(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, *inter alia*, 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.	The Board has proposed a first and final dividend of 0.50 Singapore cents per ordinary share for FY2017 which will be subject to shareholders' approval at the forthcoming AGM.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.2 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	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.

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		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. Matters which require shareholders' approval were presented and proposed as a separate resolution. The Company practices 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. 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.
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 FY2017 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	The Board, with the concurrence of the AC, is of the opinion that the internal controls are adequate to address the financial, operational and compliance risks based on the following: • 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 FY2017.

Corporate Governance Report

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
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 FY2017.

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, 2017.

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 55 to 103 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, 2017, 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:

Chew Eng Hoe
Chew Chee Bin
Chew Chee Keong
Yuen Sou Wai
Chong Chin Fan
Dr Choo Boon Seng

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
The Company (Ordinary shares)		
Chew Eng Hoe	343,350	343,350
Chew Chee Bin	351,025	351,025
Chew Chee Keong	597,025	597,025
Fenghe Investment Holding Pte. Ltd. (Ordinary shares)		
Chew Eng Hoe	2,266	2,266

Directors' Statement

The directors' interests in the shares of the Company as at October 21, 2017 were the same at September 30, 2017.

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 whose members are:

Chong Chin Fan (Chairman)
Dr Choo Boon Seng
Yuen Sou Wai
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, consisting all non-executive directors, is chaired by Mr Yuen Sou Wai, an independent director, and includes Mr Chong Chin Fan and Dr Choo Boon Seng, both independent directors. The Audit Committee has met two times since the last Annual General Meeting ("AGM") and has 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 consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the directors of the Company and external auditors' report on those financial statements;

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;

Directors' Statement

e) the co-operation and assistance given by the management to the Group's external auditors; and

f) the re-appointment of the external auditors of the Group.

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 Audit Committee 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.

7 **AUDITORS**

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

ON BEHALF OF THE DIRECTORS

....
Chew Chee Bin

....
Chew Eng Hoe

December 29, 2017

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 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, 2017, 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 55 to 103.

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, 2017 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. These matters were 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 matters:

Key Audit Matters	Our audit performed and responses thereon
Biological assets include mature chickens and immature chickens kept by the Group for the production of eggs. The biological assets are carried at cost less accumulated amortisation and impairment over the estimated useful lives of the biological assets. Both the initial recognition and subsequent measurement of the carrying amounts of the biological assets are dependent on management's assumptions and estimation of the useful lives and residual values. In addition, management will assess at each reporting period end whether there are indicators of impairment based on: (i) judgement in the ability of biological assets to remain productive and generate future economic benefits; and/or (ii) estimation of the recoverable amount of chickens that are past the productive age. As at September 30, 2017, the carrying amount of the biological assets was $7,634,065, as disclosed in Note 13 to the financial statements. The accounting policy and key management estimates are disclosed in Notes 2 and 3 to the financial statements.	Our audit procedures included the following: (a) Obtained an understanding of the key relevant controls surrounding the valuation of biological assets by management, which includes monitoring of the daily mortality and productivity rates of the biological assets; (b) Reviewed the basis of the useful lives of biological assets by challenging the reasonableness of judgement made regarding the mortality and productivity rates of the biological assets; (c) Obtained the latest selling price of disposed biological assets and compared to the residual value; (d) Assessed for indicators of impairment of such assets by examining external sources of information such as any news on changes in regulations of relevant authority, outbreak of diseases, and internal sources of information such as the financial results of the Group; and (e) Performed retrospective review of the key management estimates such as the useful lives and residual values. We have also reviewed the appropriateness and adequacy of the relevant disclosures made in 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.

Auditors' 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 skepticism 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.

Independent Auditor's Report To The Members Of Chew's Group Limited

- 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.

- 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 matters. 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 the 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 Lim Bee Hui.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

December 29, 2017

Statements Of Financial Position

As At September 30, 2017

	Note	Group 2017	Group 2016	Company 2017	Company 2016
		$	$	$	$
ASSETS			(Reclassed)		
Current assets					
Cash and bank balances	7	44,931,910	45,309,915	3,071,802	3,340,884
Trade receivables	8	5,250,228	4,488,828	-	-
Other receivables	9	411,702	355,464	985,051	842,351
Inventories	10	1,394,103	1,199,993	-	-
Total current assets		51,987,943	51,354,200	4,056,853	4,183,235
Non-current assets					
Other receivables	9	149,165	37,138	-	-
Property, plant and equipment	11	3,605,566	4,251,343	17,700	24,338
Land use rights	12	3,912,044	4,048,511	-	-
Biological assets	13	7,634,065	6,544,493	-	-
Investment in subsidiary corporations	14	-	-	10,283,720	10,299,720
Deferred tax assets	19	-	30,800	-	-
Total non-current assets		15,300,840	14,912,285	10,301,420	10,324,058
Total assets		67,288,783	66,266,485	14,358,273	14,507,293

Statements Of Financial Position (cont'd)

As At September 30, 2017

	Note	Group		Company	
		2017	2016	2017	2016
		$	$	$	$
LIABILITIES AND EQUITY			(Reclassed)		
Current liabilities					
Current portion of bank loans	15	1,081,394	1,431,196	-	-
Trade payables	16	1,984,616	1,817,814	8,688	343
Other payables	17	8,157,653	8,425,562	560,312	686,505
Current portion of finance leases	18	171,742	179,226	-	-
Income tax payable		703,057	2,101,071	-	-
Total current liabilities		12,098,462	13,954,869	569,000	686,848
Non-current liabilities					
Bank loans	15	12,800	90,960	-	-
Other payables	17	390,190	302,114	-	-
Finance leases	18	33,831	205,572	-	-
Deferred tax liabilities	19	15,981	-	-	-
Total non-current liabilities		452,802	598,646	-	-
Capital, reserves and non-controlling interests					
Share capital	20	13,292,106	13,292,106	13,292,106	13,292,106
Capital reserve		1,527	1,527	-	-
Foreign exchange translation deficit		(18,089)	(9,394)	-	-
Retained earnings		41,430,105	38,422,714	497,167	528,339
Equity attributable to owners of the Company		54,705,649	51,706,953	13,789,273	13,820,445
Non-controlling interests		31,870	6,017	-	-
Total equity		54,737,519	51,712,970	13,789,273	13,820,445
Total liabilities and equity		67,288,783	66,266,485	14,358,273	14,507,293

See accompanying notes to the financial statements.

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

Year Ended September 30, 2017

	Note	Group 2017	Group 2016
		$	$
Revenue	21	33,923,317	31,598,484
Other income	22	979,914	28,639,461
Changes in inventories		194,110	(917,395)
Purchase of materials		(6,410,762)	(3,664,963)
Employee benefits expense		(4,839,066)	(5,317,723)
Depreciation and amortisation expense		(454,401)	(496,356)
Rental expenses		(100,574)	(117,951)
Amortisation of biological assets		(15,165,649)	(15,590,087)
Other operating expenses	23	(3,812,063)	(4,506,217)
Finance costs	24	(42,195)	(119,317)
Profit before income tax		4,272,631	29,507,936
Income tax expense	25	(825,347)	(1,569,740)
Profit for the year	26	3,447,284	27,938,196

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income (cont'd)

Year Ended September 30, 2017

	Note	Group 2017	Group 2016
		$	$
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operation		(8,695)	7,267
Other comprehensive (loss) income for the year, net of tax		(8,695)	7,267
Total comprehensive income for the year		3,438,589	27,945,463
Profit attributable to:			
Owners of the Company		3,421,431	27,910,254
Non-controlling interests		25,853	27,942
		3,447,284	27,938,196
Total comprehensive income attributable to:			
Owners of the Company		3,412,736	27,917,521
Non-controlling interests		25,853	27,942
		3,438,589	27,945,463
Basic and diluted earnings per share (cents)	27	4.05	33.03

See accompanying notes to the financial statements.

Statements Of Changes In Equity

Year Ended September 30, 2017

	Note	Share capital	Capital reserve	Foreign exchange translation deficit	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
		$	$	$	$	$	$	$
Group								
Balance at October 1, 2015		13,292,106	1,527	(16,661)	10,926,500	24,203,472	(21,925)	24,181,547
Total comprehensive income for the year:								
Profit for the year		-	-	-	27,910,254	27,910,254	27,942	27,938,196
Other comprehensive income for the year		-	-	7,267	-	7,267	-	7,267
Total		-	-	7,267	27,910,254	27,917,521	27,942	27,945,463
Transactions with owners, recognised directly in equity:								
Dividends paid	28	-	-	-	(414,040)	(414,040)	-	(414,040)
Balance at September 30, 2016		13,292,106	1,527	(9,394)	38,422,714	51,706,953	6,017	51,712,970

Statements Of Changes In Equity (cont'd)

Year Ended September 30, 2017

	Note	Share capital	Capital reserve	Foreign exchange translation deficit	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
		$	$	$	$	$	$	$
Group (Cont'd)								
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	28	-	-	-	(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, 2017

	Share capital $	Retained earnings $	Total $
Company			
Balance at October 1, 2015	13,292,106	512,237	13,804,343
Profit for the year, representing total comprehensive income for the year	-	430,142	430,142
Dividends paid, representing transactions with owners recognised directly in equity (Note 28)	-	(414,040)	(414,040)
Balance at September 30, 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 28)	-	(414,040)	(414,040)
Balance at September 30, 2017	13,292,106	497,167	13,789,273

See accompanying notes to the financial statements.

Consolidated Statement Of Cash Flows

Year Ended September 30, 2017

	Group	
	2017	2016
	$	$
Operating activities		
Profit before income tax	4,272,631	29,507,936
Adjustments for:		
Interest expense	42,195	119,317
Interest income	(351,917)	(135,649)
Biological assets written off, net	1,277,736	2,166,014
Depreciation of property, plant and equipment	317,934	443,254
Amortisation of land use rights	136,467	53,102
Amortisation of biological assets	15,165,649	15,590,087
Allowance for (Reversal of) doubtful trade receivables, net	754	(1,639)
Loss (Gain) on disposal of land use rights, property, plant and equipment, net	2,438	(24,353,385)
Government grant income	(277,803)	(3,804,600)
Operating cash flows before movements in working capital	20,586,084	19,584,437
Trade receivables	(762,154)	707,359
Other receivables	(56,238)	232,997
Inventories	(194,110)	919,248
Trade payables	166,802	(386,086)
Other payables	97,970	654,497
Cash generated from operations	19,838,354	21,712,452
Interest paid	(42,195)	(119,317)
Income tax paid	(2,176,580)	(187,641)
Net cash from operating activities	17,619,579	21,405,494
Investing activities		
Proceeds from disposal of land use rights, property, plant and equipment	11,090	38,638,649
Purchases of property, plant and equipment (Note A)	(100,767)	(343,696)
Deposits for property, plant and equipment	(112,027)	(37,138)
Purchase of land use rights	-	(4,094,000)
Proceeds from disposal of biological assets	575,344	433,178
Purchases of biological assets	(17,693,320)	(17,490,144)
Interest received	351,917	135,649
Net cash (used in) from investing activities	(16,967,763)	17,242,498

Consolidated Statement Of Cash Flows (cont'd)

Year Ended September 30, 2017

	Group	
	2017	2016
	$	$
Financing activities		
Government grant deferred	-	6,167,335
Repayments of bank loans	(427,962)	(413,072)
Repayments of obligation under finance leases	(179,225)	(4,238,587)
Increase in pledged fixed deposits	(359)	(353)
Dividends paid	(414,040)	(414,040)
Net cash (used in) from financing activities	(1,021,586)	1,101,283
Net (decrease) increase in cash and cash equivalents	(369,770)	39,749,275
Cash and cash equivalents at beginning of the year	45,207,332	5,450,287
Effects of exchange rate changes on the balance of cash held in foreign currencies	(8,594)	7,770
Cash and cash equivalents at end of the year (Note 7)	44,828,968	45,207,332

Note A:

In 2017, the Group acquired property, plant and equipment at an aggregate cost of $100,767 fully paid in cash. In 2016, the Group acquired property, plant and equipment at an aggregate cost of $451,696, of which $108,000 was acquired under finance lease arrangements and $343,696 was paid in cash.

See accompanying notes to the financial statements.

Notes To The Financial Statements

As At September 30, 2017

1 GENERAL

The Company (Registration No. 201020806C) is incorporated in the Republic of Singapore with its principal place of business at 20 Murai Farmway, Singapore 709153 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, 2017 were authorised for issue by the Board of Directors of the Company on December 29, 2017.

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*.

ADOPTION OF NEW AND REVISED STANDARDS - On October 1, 2016, the Group 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.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and Company were issued but not effective:

- FRS 109 *Financial Instruments*[2]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*[2]
- FRS 116 *Leases*[3]
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*[1]

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

(1) Applies to annual periods beginning on or after January 1, 2017, with early application permitted.
(2) Applies to annual periods beginning on or after January 1, 2018, with early application permitted.
(3) Applies to annual periods beginning on or after January 1, 2019, with early application permitted if FRS 115 is adopted.

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL).

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is 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 a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. 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.

Management anticipates that the initial application of the new FRS 109 will result in changes to the accounting policies relating to the impairment provisions of financial assets. Additional disclosures will also be made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, and the related interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

The core principle of FRS 115 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 be the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, 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 perspective guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 may result in changes to the accounting policies relating to revenue recognition. Additional disclosures for trade receivables and revenue may be required, including any significant judgement and estimation made. Management is currently still assessing the possible impact of implementing FRS 115. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

FRS 116 *Leases*

FRS 116 was issued in June 2016 and it will supersede FRS 17 *Leases* and its associated interpretative guidance.

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 exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management anticipates that the initial application of FRS 116 will result in changes to the accounting policy relating to leases. As at September 30, 2017, the Group has non-cancellable operating lease commitment and if such arrangements meet the definition of a lease under FRS 116, the Group will have to recognise a right-of-use asset and a corresponding liability in respect of these leases unless they qualify as low value or short term leases upon application. As such, the adoption of FRS 116 may have an impact on the Group. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt FRS 116.

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

IFRS Convergence

Singapore-incorporated companies listed on the Singapore Exchange (SGX) will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards (IFRS) for annual periods beginning on or after January 1, 2018. The Group will be adopting the new framework for the first time for financial year ending September 30, 2019, with retrospective application to the comparative financial year ending September 30, 2018 and the opening statement of financial position as at October 1, 2017 (date of transition). Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1, including financial effects on transition to the new framework.

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.

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.

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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 existing subsidiary corporations

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 FRS 39, 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 statement of financial position when the Group 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 instruments "at fair value through profit or loss".

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.

Notes To The Financial Statements

As At September 30, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 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.

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

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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.

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

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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.

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.

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 (2016 : 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 consists 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.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Depreciation is charged so as to write off the cost of assets, other than construction in progress, 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 reporting period, 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 (2016 : 20 to 30 years).

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.

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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 Company 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.

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

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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 as they fall due. 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.

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.

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.

Notes To The Financial Statements

As At September 30, 2017

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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.

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 reserve.

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 entity'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 statements.

Notes To The Financial Statements

As At September 30, 2017

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

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 is concerned, the management has assessed and determined that it is appropriate for the chickens to be carried at cost less accumulated amortisation given that market-determined prices or values are not available and alternative estimates of fair value are determined to be unreliable. The computation of the carrying amount of chickens involves management's estimation on the useful lives and residual values of the chickens. As at September 30, 2017, the carrying amount of chickens is disclosed in Note 13 to the financial statements.

Recognition of government grant subject to conditions

In prior year, a deferred government grant of amount $5.9 million was received from Agri-Food & Veterinary Authority of Singapore, as a financial assistance to the Company for the transition from the existing to new farm premise. The grant is subject to the following conditions: (1) the Group has to operate on the new site for poultry farming for a period of 30 years commencing on May 27, 2016; and (2) the Group has to achieve a minimum production level of 9 million eggs per hectare per year, within 6 years from May 27, 2016. As at the end of the reporting period, management is confident that both conditions can be fulfilled.

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 Group's chicken farm is located. In 2016, the Group has 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 will be enjoying 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.

During the year, management has 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, management and SLA have not reached an agreement. Accordingly, rental lease payments from June to December 2019 have not been considered in determining the deferred rental liability as at the end of the reporting period.

Based on the above conditions, management has recognised the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis as it is 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 has also assessed that the Government has given a grant in the form of rent-free period and reduced market rental rate during the lease period. Such grant has been recognised in the profit or loss over the period in which the Group recognises the rental expenses and has been presented as a net amount in the profit or loss.

Notes To The Financial Statements

As At September 30, 2017

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. The carrying amount of biological assets is disclosed in Note 13 to the financial statements.

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. The carrying amount of biological assets is disclosed in Note 13 to the financial statements.

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.

During the year, management has reassessed its relocation date, based on the current progress of the development of the new farm premise, and is of the view that the relocation date is likely to be December 2019. Accordingly, the estimated useful lives of the non-movable property, plant and equipment, have 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 is $12,000. Should the relocation date of the plant change, there will 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.

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

Notes To The Financial Statements

As At September 30, 2017

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

equipment will be based on value-in-use calculations. These calculations require the use of management judgement and estimates.

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

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

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

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	
	2017	2016	2017	2016
	$	$	$	$
Financial assets				
Loans and receivables (including cash and cash equivalents)	50,434,690	50,026,987	4,044,506	4,171,994
Financial liabilities				
Amortised cost	5,942,694	6,285,109	569,000	686,848

(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.

Notes To The Financial Statements

As At September 30, 2017

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

(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	
	2017	2016	2017	2016
	$	$	$	$
United States dollar	44,271	33,555	52,690	4,197,761
Euro	23,460	2,718	-	-
Malaysian ringgit	6,640	8,231	-	-
Hong Kong dollar	-	-	341,641	262,819

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 profit before income tax will increase (decrease) by:

	2017	2016
	$	$
United States dollar	(842)	(416,421)
Euro	2,346	272
Malaysian ringgit	664	823
Hong Kong dollar	(34,164)	(26,282)

If the relevant foreign currencies strengthen by 10% against the functional currency of each group entity, the Group's profit 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, 2017, no sensitivity analysis has been presented in the financial statements.

Notes To The Financial Statements

As At September 30, 2017

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

(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 arise from bank loans bearing variable interest rates.

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 is used when reporting interest rate risk internally to key management personnel and represents 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(2016 : $7,611).

(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 38% (2016 : 45%) 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.

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.

Notes To The Financial Statements

As At September 30, 2017

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

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
	%	$	$	$	$
Group					
2017					
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
		5,968,925	47,862	(74,093)	5,942,694
2016					
Non-interest bearing	-	4,378,155	-	-	4,378,155
Variable interest rate instruments	2.56	1,531,261	92,599	(101,704)	1,522,156
Fixed interest rate instruments	4.21	189,540	211,455	(16,197)	384,798
		6,098,956	304,054	(117,901)	6,285,109

The Company's non-derivative financial liabilities of $569,000 (2016 : $686,848) 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, 2017

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

Non-derivative financial assets

All financial assets in 2017 and 2016 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

(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 2016.

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:

	2017	2016
	$	$
Dividend paid to ultimate holding company	282,144	282,144

Notes To The Financial Statements

As At September 30, 2017

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	
	2017	2016
	$	$
Short-term benefits	1,736,969	1,788,415
Post-employment benefits	120,201	119,838
Total	1,857,170	1,908,253

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	
	2017	2016	2017	2016
	$	$	$	$
Cash at bank	44,828,968	7,983,965	3,071,802	3,340,884
Fixed deposits	102,942	37,325,950	-	-
Cash and bank balances	44,931,910	45,309,915	3,071,802	3,340,884
Less: Pledged fixed deposits	(102,942)	(102,583)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	44,828,968	45,207,332	3,071,802	3,340,884

The fixed deposits of $102,942 (2016 : $102,583) were pledged to a bank as security for banking facilities. The fixed deposits bear interest at an average effective interest rate at 0.35% (2016 : 0.35% to 0.98%) per annum and has a tenure of 12 months (2016 : 1 to 12 months).

8 TRADE RECEIVABLES

	Group	
	2017	2016
	$	$
Outside parties	5,251,225	4,490,007
Allowance for doubtful trade receivables	(997)	(1,179)
	5,250,228	4,488,828

Notes To The Financial Statements

As At September 30, 2017

8 **TRADE RECEIVABLES (cont'd)**

The average credit period on sales of goods is 30 days to 90 days (2016 : 30 days to 90 days). No interest is charged on the outstanding balances.

Before accepting any new customer, the Group will assess 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	
	2017	2016
	$	$
Not past due and not impaired	4,590,855	3,987,694
Past due but not impaired	659,373	501,134
Trade receivables not impaired	5,250,228	4,488,828
Impaired receivables	997	1,179
Less: Allowance for doubtful trade receivables	(997)	(1,179)
	-	-
Total trade receivables, net	5,250,228	4,488,828

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 debts.

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

	Group	
	2017	2016
	$	$
< 3 months	659,373	500,165
3 months to 6 months	-	969
	659,373	501,134

Movement in the allowance for doubtful trade receivables:

	Group	
	2017	2016
	$	$
At beginning of year	1,179	5,791
Charged to (Reversed from) profit or loss, net (Note 26)	754	(1,639)
Amounts written off during the year	(936)	(2,973)
At end of year	997	1,179

Notes To The Financial Statements

As At September 30, 2017

9 **OTHER RECEIVABLES**

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
		(Reclassed)		
Subsidiary corporations (Note 5)	-	-	971,705	830,390
Prepayments	159,150	127,220	12,347	11,241
Other deposits	351,005	178,980	-	-
Others	50,712	86,402	999	720
	560,867	392,602	985,051	842,351
Current	411,702	355,464	985,051	842,351
Non-current	149,165	37,138	-	-
	560,867	392,602	985,051	842,351

The non-current portion of other deposits pertained to deposits for property, plant and equipment. As at September 30, 2017 and September 30, 2016, other receivables are neither past due nor impaired.

10 **INVENTORIES**

	Group	
	2017	2016
	$	$
Agricultural produce:		
Eggs	121,841	95,822
Trading products	13,928	38,491
Chicken soup	1,355	2,552
Raw materials:		
Feeds	994,977	792,488
Vaccines and medicine	67,738	127,107
Packaging materials	194,264	143,533
	1,394,103	1,199,993

Notes To The Financial Statements

As At September 30, 2017

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold building $	Farm buildings $	Construction in progress $	Plant, machinery and equipment $	Office equipment and motor vehicles $	Total $
Group						
Cost:						
At October 1, 2015	1,550,000	11,544,455	6,776,978	11,854,705	809,602	32,535,740
Additions	-	95,926	-	158,090	197,680	451,696
Disposals/Written off	-	(9,417,687)	-	(10,129,440)	(336,474)	(19,883,601)
Transfer	-	6,776,978	(6,776,978)	-	-	-
Exchange differences	-	-	-	(1,300)	1,163	(137)
At September 30, 2016	1,550,000	8,999,672	-	1,882,055	671,971	13,103,698
Additions	-	-	-	53,985	46,782	100,767
Disposals/Written off	-	(16,095)	-	(10,904)	(75,058)	(102,057)
Exchange differences	-	-	-	(379)	(76)	(455)
At September 30, 2017	1,550,000	8,983,577	-	1,924,757	643,619	13,101,953

Notes To The Financial Statements

As At September 30, 2017

11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Leasehold building	Farm buildings	Construction in progress	Plant, machinery and equipment	Office equipment and motor vehicles	Total
	$	$	$	$	$	$
Group (cont'd)						
Accumulated depreciation:						
At October 1, 2015	63,209	8,110,198	-	5,609,263	480,869	14,263,539
Charge for the year	32,979	504,234	-	682,736	113,088	1,333,037
Disposals/Written off	-	(715,982)	-	(5,740,017)	(288,588)	(6,744,587)
Exchange differences	-	-	-	(946)	1,312	366
At September 30, 2016	96,188	7,898,450	-	551,036	306,681	8,852,355
Charge for the year	32,979	338,588	-	242,042	119,306	732,915
Disposals/Written off	-	(9,109)	-	(6,018)	(73,402)	(88,529)
Exchange differences	-	-	-	(336)	(18)	(354)
At September 30, 2017	129,167	8,227,929	-	786,724	352,567	9,496,387
Carrying amount:						
At September 30, 2017	1,420,833	755,648	-	1,138,033	291,052	3,605,566
At September 30, 2016	1,453,812	1,101,222	-	1,331,019	365,290	4,251,343

Notes To The Financial Statements

As At September 30, 2017

11 **PROPERTY, PLANT AND EQUIPMENT (cont'd)**

	Office equipment and motor vehicles
	$
Company	
Cost:	
At October 1, 2015, September 30, 2016 and 2017	33,188
Accumulated depreciation:	
At October 1, 2015	2,213
Charge for the year	6,637
At September 30, 2016	8,850
Charge for the year	6,638
At September 30, 2017	15,488
Carrying amount:	
At September 30, 2017	17,700
At September 30, 2016	24,338

An amount of $414,981 (2016 : $889,783) 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.

Certain of the Group's plant, machinery and equipment with carrying amount of $519,399 (2016 : $594,493) and motor vehicles with carrying amount of $80,266 (2016 : $103,008) are under finance lease obligations (Note 18).

During the year, the Group has pledged the leasehold building having a carrying amount of $1,420,833 (2016 : $1,453,812) to secure banking facilities granted to the Group.

Notes To The Financial Statements

As At September 30, 2017

12 **LAND USE RIGHTS**

	Group	
	2017	2016
	$	$
Cost:		
At beginning of the year	4,094,000	2,100,000
Additions	-	4,094,000
Disposal	-	(2,100,000)
At end of the year	4,094,000	4,094,000
Accumulated amortisation:		
At beginning of the year	45,489	901,250
Amortisation for the year	136,467	97,989
Disposal	-	(953,750)
At end of the year	181,956	45,489
Carrying amount:		
At September 30	3,912,044	4,048,511

An amount of $Nil (2016 : $44,887) of amortisation charge for the land used in the production of eggs was capitalised and included in the carrying amount of biological assets in Note 13.

13 **BIOLOGICAL ASSETS**

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

	Group	
	2017	2016
	$	$
At beginning of year	6,544,493	6,308,958
Increase due to purchase/depreciation and amortisation charges capitalised (Notes 11 and 12)	18,108,301	18,424,814
Decrease due to amortisation	(15,165,649)	(15,590,087)
Decrease due to sales/write-off of biological assets	(1,853,080)	(2,599,192)
At end of year	7,634,065	6,544,493
Biological assets comprise:		
Mature chickens	7,223,690	6,097,123
Immature chickens	410,375	447,370
Total	7,634,065	6,544,493

Notes To The Financial Statements

As At September 30, 2017

13 **BIOLOGICAL ASSETS (cont'd)**

	Mature	Immature	Total
	$	$	$
Group			
Cost:			
At October 1, 2015	20,509,215	631,965	21,141,180
Additions	15,724,473	2,700,341	18,424,814
Transfers	2,679,401	(2,679,401)	-
Written off/Disposals	(19,745,847)	(205,535)	(19,951,382)
At September 30, 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
Accumulated amortisation:			
At October 1, 2015	14,832,222	-	14,832,222
Amortisation for the year	15,590,087	-	15,590,087
Written off/Disposals	(17,352,190)	-	(17,352,190)
At September 30, 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
Carrying amount:			
At September 30, 2017	7,223,690	410,375	7,634,065
At September 30, 2016	6,097,123	447,370	6,544,493

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 are 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.

Notes To The Financial Statements

As At September 30, 2017

14 INVESTMENT IN SUBSIDIARY CORPORATIONS

	Company 2017	Company 2016
	$	$
Unquoted equity shares, at cost	11,099,720	10,999,720
Less: Allowance for impairment loss	(816,000)	(800,000)
Carrying amount	10,283,720	10,299,720

During the year, 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. At the end of the reporting period, management was of the view that the provision of $816,000 (2016 : $800,000) recognised is adequate.

The principal subsidiary corporations of the Company are as follows:

	Country of incorporation and operation	Proportion of ownership interest and voting power held 2017	Proportion of ownership interest and voting power held 2016	Principal activities
		%	%	
Chew's Agriculture Pte Ltd [a]	Singapore	100	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]	Singapore	100	100	Trading of food and agricultural products
Chew's Engineering Services Pte Ltd [a]	Singapore	100	100	Provision of engineering, maintenance and construction services
Chew's Group Investment Pte Ltd [a]	Singapore	100	100	Investment holding company

[a] Audited by Deloitte & Touche LLP, Singapore.
[b] Audited by Au & Partners, Hong Kong.

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, 2017

15 BANK LOANS

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
Bank loans	1,094,194	1,522,156	-	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,081,394)	(1,431,196)	-	-
Amount due for settlement after 12 months	12,800	90,960	-	-

The Group has the following principal bank loans:

a) A remaining loan amount of $90,949 (2016 : $166,659). The loan was raised on November 14, 2014. Fixed monthly repayments commenced on December 14, 2014 and will continue until November 14, 2018. The loan carries a variable interest of 2.00% plus prevailing 3 months SIBOR rate. The average effective interest rate on the bank loan approximated 3.12% (2016 : 2.88%) per annum during the year. The loan is guaranteed by the Company.

b) A remaining loan amount of $254,593 (2016 : $515,189), guaranteed by the Company, was raised on July 10, 2014. Fixed quarterly repayments commenced on October 31, 2014 and will continue until July 31, 2018. The loan carries 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% (2016 : 3.505%) per annum during the year. The loan has been presented as current liability as the loan may be callable by the bank at any time without cause and the Group does not have unconditional right to defer settlement for at least twelve months after the end of the reporting period.

c) A remaining loan amount of $748,652 (2016 : $840,308), which was secured by mortgage over a property and was guaranteed by the Company, was raised on November 21, 2013. Fixed monthly repayments commenced on December 30, 2013 and will continue until November 30, 2025. The loan carries 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% (2016 : 1.92%) per annum during the year. The loan has been presented as current liability as the loan may be callable by the bank at any time without cause and the Group does not have unconditional right to defer settlement for at least twelve months after the end of the reporting period.

The fair value of the bank loans approximates their carrying amounts as at September 30, 2017.

The bank loans include restrictive covenants, including among others, changes in shareholding structure of its subsidiary, Chew's Agriculture Pte Ltd ("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.

Notes To The Financial Statements

As At September 30, 2017

16 **TRADE PAYABLES**

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
Outside parties	1,984,616	1,817,814	8,688	343

The average credit period of trade payables is 30 days to 90 days (2016 : 30 days to 90 days). No interest is charged on the outstanding balances.

17 **OTHER PAYABLES**

	Group		Company	
	2017	2016	2017	2016
	$	$	$	$
		(Reclassed)		
Government grant deferred	5,889,532	6,167,335	-	-
Accruals	2,657,569	2,559,954	560,312	686,505
Others	742	387	-	-
	8,547,843	8,727,676	560,312	686,505
Current	8,157,653	8,425,562	560,312	686,505
Non-current - government grant deferred/accruals	390,190	302,114	-	-
	8,547,843	8,727,676	560,312	686,505

Notes To The Financial Statements

As At September 30, 2017

18 **FINANCE LEASES**

	Minimum lease payments		Present value of minimum lease payments	
	2017	2016	2017	2016
	$	$	$	$
Group				
Amounts payable under finance leases:				
Within one year	176,454	189,540	171,742	179,226
In the second to fifth year inclusive	35,001	211,455	33,831	205,572
	211,455	400,995	205,573	384,798
Less: Future finance charges	(5,882)	(16,197)	-	-
Present value of lease obligations	205,573	384,798	205,573	384,798
Less: Amounts due for settlement within 12 months (shown under current liabilities)			(171,742)	(179,226)
Amount due for settlement after 12 months			33,831	205,572

It is the Group's policy to lease certain of its plant, equipment and motor vehicles under finance leases. The average lease terms is 4 years (2016 : 4 years). The average effective borrowing rates ranges from 1.3% to 4.3% (2016 : 1.3% to 4.3%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have 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.

The Group's obligations under finance leases are secured by the lessor's title to the leased assets (Note 11) and guaranteed by the Company.

Notes To The Financial Statements

As At September 30, 2017

19 DEFERRED TAX LIABILITIES (ASSETS)

	Accelerated tax depreciation (Accelerated accounting depreciation)
	$
Group	
At October 1, 2015	451,002
Credited to profit or loss (Note 25)	(1,197,822)
Adjustment arising from prior year (Note 25)	716,020
At September 30, 2016	(30,800)
Charged to profit or loss (Note 25)	46,781
At September 30, 2017	15,981

20 SHARE CAPITAL

	Group and Company			
	2017	2016	2017	2016
	Number of ordinary shares		$	$
Issued and fully 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

These represent revenue from sale of goods.

Notes To The Financial Statements

As At September 30, 2017

22 **OTHER INCOME**

	Group	
	2017	2016
	$	$
Gain on disposal of land use rights, property, plant and equipment	-	24,353,385
Reversal of allowance for doubtful trade receivables	3,799	19,257
Government grants	277,803	3,804,600
Sundry income	190,610	325,371
Net foreign exchange gain	152,661	-
Insurance claim	3,124	1,199
Interest income	351,917	135,649
Total	979,914	28,639,461

23 **OTHER OPERATING EXPENSES**

	Group	
	2017	2016
	$	$
Loss on disposal of property, plant and equipment	2,438	-
Net foreign exchange loss	-	54,760
Advertisements	63,538	58,610
Professional expenses	400,873	413,799
Carriage charges	66,600	66,300
Insurance	177,252	189,400
Trade receivables written off	4,553	17,618
Biological assets written off	1,277,736	2,166,014
Repair and maintenance	377,494	-
Research and development	32,541	38,541
Staff welfare	305,447	446,195
Transport expenses	387,303	252,305
Other general expenses	716,288	802,675
Total	3,812,063	4,506,217

24 **FINANCE COSTS**

	Group	
	2017	2016
	$	$
Interest on bank loans	31,881	50,084
Interest on obligation under finance leases	10,314	69,233
Total	42,195	119,317

Notes To The Financial Statements

As At September 30, 2017

25 INCOME TAX EXPENSE

	Group	
	2017	2016
	$	$
Income tax:		
- Current year	706,965	2,100,396
- Under (Over) Provision of prior year	71,601	(48,854)
Deferred tax (Note 19):		
- Current year	46,781	(1,197,822)
- Underprovision of prior year	-	716,020
Total	825,347	1,569,740

Domestic income tax is calculated at 17% (2016 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	Group	
	2017	2016
	$	$
Profit before income tax	4,272,631	29,507,936
Income tax expense at statutory rate	726,347	5,016,349
Effect of expenses that are not deductible in determining taxable profit	117,748	96,996
Effect of non-taxable income	(1,651)	(4,140,075)
Effect of tax concessions	(22,115)	(42,826)
Underprovision of prior year's tax	71,601	667,166
Effect of unused tax losses not recognised as deferred tax assets	-	9,355
Tax exemption	(48,393)	(48,382)
Others	(18,190)	11,157
Total income tax expense	825,347	1,569,740

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has unutilised tax losses amounting to $311,383 (2016 : $311,383) available for offset against future taxable profits. These deferred tax benefits for the Group have not been 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, 2017

26 PROFIT FOR THE YEAR

	Group	
	2017	2016
	$	$
Profit for the year is arrived at after charging (crediting):		
Government grants	(277,803)	(3,804,600)
Cost of inventories recognised as expense	6,216,652	4,582,358
Directors' fee	151,250	151,250
Directors' remuneration	700,862	734,634
Depreciation of property, plant and equipment	317,934	443,254
Amortisation of land use rights	136,467	53,102
Amortisation of biological assets (Note 13)	15,165,649	15,590,087
Biological assets written off, net	1,277,736	2,166,014
Loss (Gain) on disposal of land use rights property, plant and equipment, net	2,438	(24,353,385)
Allowance for (Reversal of) doubtful trade receivables, net	754	(1,639)
Employee benefits expense (including directors' remuneration)		
Salaries	6,179,759	6,012,197
Cost of defined contribution plan	1,123,082	1,130,903
Others	94,718	95,326
	7,397,559	7,238,426
Capitalised and included in the carrying amount of biological assets	(2,558,493)	(1,920,703)
Total employee benefits expense	4,839,066	5,317,723
Audit fees	114,500	118,000
Non-audit fees:		
- paid to auditors of the company	19,700	21,100
- paid to other auditors	23,599	25,361

27 EARNINGS PER SHARE

Earnings per share is calculated based on the profit attributable to the owners of the Company of $3,421,431 (2016 : $27,910,254) and share capital of 84,498,000 shares.

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

Notes To The Financial Statements

As At September 30, 2017

28 DIVIDENDS

On November 27, 2015, in respect of the financial year ended September 30, 2015, 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 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. This is subject to approval by shareholders at the forthcoming Annual General Meeting on January 26, 2018 and has not been included as a liability in these financial statements.

29 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.

Notes To The Financial Statements

As At September 30, 2017

29 SEGMENT INFORMATION (cont'd)

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 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.

For 2016, unallocated other income includes the gain on disposal of $24.4 million. Unallocated corporate assets include the cash proceeds received of $38.6 million for the disposal of property, plant and equipment to the Government and newly acquired land use rights of $4.0 million. Unallocated corporate liabilities include the deferred government grant of $5.9 million received from the Government in relation to the financial assistance for the relocation of farm.

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

	Designer and generic eggs	Liquid eggs	Spent grains	Food processing	Others	Total
	$	$	$	$	$	$
2017						
REVENUE						
External revenue	29,712,588	739,029	2,804,477	11,539	655,684	33,923,317
RESULT						
Segment result	5,896,084	30,681	161,168	(209,782)	233,753	6,111,904
Unallocated other income						784,647
Unallocated corporate expenses						(2,581,725)
Finance costs						(42,195)
Profit before income tax						4,272,631
OTHER INFORMATION						
Biological assets written off, net	1,277,736	-	-	-	-	1,277,736
Depreciation of property, plant and equipment	142,217	734	-	149,701	2,745	295,397
Amortisation of biological assets	15,165,649	-	-	-	-	15,165,649
Allowance for doubtful trade receivables, net	260	-	-	-	494	754
SEGMENT ASSETS						
Segment assets	14,815,494	101,937	173,078	2,244,658	480,673	17,815,840
Unallocated corporate assets						49,472,943
Total assets						67,288,783
SEGMENT LIABILITIES						
Segment liabilities	2,507,433	3,595	235,990	1,145,646	149,491	4,042,155
Unallocated corporate liabilities						8,509,109
Total liabilities						12,551,264

Notes To The Financial Statements

As At September 30, 2017

29 **SEGMENT INFORMATION (cont'd)**

	Designer and generic eggs	Liquid eggs	Spent grains	Food processing	Others	Total
	$	$	$	$	$	$
2016						
REVENUE						
External revenue	27,623,331	684,942	2,625,342	4,552	660,317	31,598,484
RESULT						
Segment result	5,766,464	32,996	151,121	(149,880)	37,457	5,838,158
Unallocated other income						27,099,073
Unallocated corporate expenses						(3,309,978)
Finance costs						(119,317)
Profit before income tax						29,507,936
OTHER INFORMATION						
Biological assets written off, net	2,166,014	-	-	-	-	2,166,014
Depreciation of property, plant and equipment	214,219	5,201	-	114,591	3,691	337,702
Amortisation of biological assets	15,590,087	-	-	-	-	15,590,087
Reversal of doubtful trade receivables, net	(1,639)	-	-	-	-	(1,639)
SEGMENT ASSETS						
Segment assets	13,300,933	123,496	268,540	2,424,117	338,920	16,456,006
Unallocated corporate assets						49,810,479
Total assets						66,266,485
SEGMENT LIABILITIES						
Segment liabilities	2,243,452	4,089	220,129	1,424,656	131,194	4,023,520
Unallocated corporate liabilities						10,529,995
Total liabilities						14,553,515

Notes To The Financial Statements

As At September 30, 2017

29 **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
	$	$	$
2017			
REVENUE			
External revenue	31,289,055	2,634,262	33,923,317
NON-CURRENT ASSETS			
Non-current assets	15,213,329	87,511	15,300,840
2016			
REVENUE			
External revenue	29,396,311	2,202,173	31,598,484
NON-CURRENT ASSETS			
Non-current assets	14,873,396	8,089	14,881,485

Information about major customers

Included in revenues arising from selling of designer and generic eggs are $10,911,870 (2016 : $10,486,923) which arose from sales to the Group's largest customer.

30 **CAPITAL COMMITMENTS**

	Group	
	2017	2016
	$	$
Commitments for the acquisition of property, plant and equipment	704,629	767,057

Notes To The Financial Statements

As At September 30, 2017

31 **OPERATING LEASE ARRANGEMENTS**

	Group	
	2017	2016
	$	$
Minimum lease payments under non-cancellable operating leases recognised as an expense in the year	100,574	117,951

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

	Group	
	2017	2016
	$	$
Within 1 year	152,503	41,246
Within 2 to 5 years	719,991	472,682
	872,494	513,928

Operating lease payments represent rentals payable by the Group for residential premises and office equipment. Residential premises leases are negotiated and rentals are fixed for an average term of 2.5 years (2016 : 2.5 years). Office equipment leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years.

32 **RECLASSIFICATIONS AND COMPARATIVE FIGURES**

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements to reclassify other receivables and other payables between current and non-current assets and liabilities respectively. No reclassification has been made to October 1, 2015 balances hence, no third statement of financial position has been presented. Accordingly, certain line items have been amended on the statement of financial position and the related notes to the financial statements. The items were reclassified as follows:

	Group	
	Previously reported	After reclassification
	$	$
Statement of financial position - September 30, 2016		
Current assets		
Other receivables	392,602	355,464
Non-current assets		
Other receivables	-	37,138
Current liabilities		
Other payables	4,750,932	8,425,562
Non-current liabilities		
Other payables	3,976,744	302,114

Statistics of Shareholding

As At 20 December 2017

Issued and paid up shares 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 20 DECEMBER 2017

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.30	25	0.00
100 - 1,000	31	9.14	18,400	0.02
1,001 - 10,000	142	41.89	817,800	0.97
10,001 - 1,000,000	160	47.20	15,840,884	18.75
1,000,001 and above	5	1.47	67,820,891	80.26
TOTAL	**339**	**100.00**	**84,498,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 20 DECEMBER 2017

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	FENGHE INVESTMENT HOLDING PTE. LTD.	57,580,341	68.14
2	CHEW CHU HOO	5,732,375	6.78
3	MAYBANK KIM ENG SECURITIES PTE LTD	1,671,600	1.98
4	CHEW ENG KENG	1,634,500	1.93
5	CHEW SUU HAI	1,202,075	1.42
6	CIMB SECURITIES (SINGAPORE) PTE LTD	858,000	1.02
7	DBS NOMINEES PTE LTD	786,400	0.93
8	PHILLIP SECURITIES PTE LTD	641,900	0.76
9	OCBC SECURITIES PRIVATE LTD	640,100	0.76
10	CHEW CHEE KEONG	597,025	0.71
11	NG CHYOU LIN	550,000	0.65
12	ONG KAH LAM	547,800	0.65
13	CHEW CHEE CHEN	368,025	0.44
14	CHEW LAY KIEN	368,025	0.44
15	CHEW LEE MENG	368,025	0.44
16	CHEW YAM BER	368,025	0.44
17	CHEW CHEE BIN	351,025	0.42
18	CHEW ENG HOE	343,350	0.41
19	CHEW THYE CHUAN	322,800	0.38
20	CHEW ENG KIAT	322,000	0.38
	TOTAL:	**75,253,391**	**89.08**

Statistics of Shareholding (cont'd)

As At 20 December 2017

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 20 December 2017, approximately 17.71% 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 Singapore Exchange Securities Trading Limited has been complied with.

SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	Name of Shareholder	No. of Shares	%	No. of Shares	%
1	Fenghe Investment Holding Pte. Ltd. (1)	57,580,341	68.14	-	-
2	Chew Chu Hoo	5,732,375	6.78	-	-
3	Chew's Farm Holdings Pte. Ltd. (1)	-	-	57,580,341	68.14

Note :

(1) Fenghe Investment Holding Pte. Ltd. ("Fenghe Investment") is an investment holding company incorporated in Singapore on 20 September 2010. It is held by Messrs Chew See Lian (1,958 shares (9.79%)), Chew Suu Hai (3,758 shares (18.79%)), Chew Chu Hoo (2,088 shares (10.44%)), Chew Eng Kiat (1,006 shares (5.03%)), Chew Eng Hoe (2,266 shares (11.33%)), Chew Eng Keng (870 shares (4.35%)) and Chew's Farm Holdings Pte. Ltd. ("Chew's Farm Holdings") (8,054 shares (40.27%)). Accordingly, Chew's Farm Holdings is deemed interested in the Shares held by Fenghe Investment by virtue of its 40.27% interest in Fenghe Investment pursuant to Section 7 of the Companies Act. Chew's Farm Holdings is an investment holding company incorporated in Singapore on 6 June 2007 held by Chew Yam Ber, Chew Chee Chen, Chew Lay Kien, Chew Lee Meng, Chew Chee Sen, Chew Chee Bin and Chew Chee Keong who each holds four (4) shares in Chew's Farm Holdings.

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 Civil Service Club (Seminar Room 1 & 2), 91 Bukit Batok West Avenue 2, Singapore 659206 on Friday, 26 January 2018 at 10.30 a.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 September 2017 together with the Auditors' Report thereon.
(Resolution 1)

2. To declare a first and final dividend of 0.50 Singapore cents per ordinary share (one-tier tax-exempt) for the financial year ended 30 September 2017. (2016: 0.49 Singapore cents per ordinary share).
(Resolution 2)

3. To re-elect Mr Yuen Sou Wai who retires pursuant to Regulation 100 of the Company's Constitution and who, being eligible, offers himself for re-election, as a Director of the Company. [See Explanatory Note (1)]
(Resolution 3)

4. To re-elect Mr Chong Chin Fan who retires pursuant to Regulation 100 of the Company's Constitution and who, being eligible, offers himself for re-election, as a Director of the Company. [See Explanatory Note (2)]
(Resolution 4)

5. To approve the payment of Directors' fees of S$158,950 for the financial year ending 30 September 2018, payable half yearly in arrears.
(Resolution 5)

6. To re-appoint Messrs Deloitte & Touche LLP as external auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 6)

7. To transact any other ordinary business which may properly be transacted at an annual general meeting.

SPECIAL BUSINESS

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

8. **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 Catalist (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

Notice of Annual General Meeting

(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;

(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 (3)] **(Resolution 7)**

9. **Authority to allot and issue shares under the Chew's Employee Share Option Scheme**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to offer and grant options ("**Options**") in accordance with the provisions of the Chew's Employee Share Option Scheme and to allot and issue from time to time such number of ordinary shares in the capital of the Company ("**Ordinary Shares**") as may be required to be issued pursuant to the exercise of Options, provided always that the aggregate number of Ordinary Shares to be allotted and issued pursuant to the Chew's Employee Share Option Scheme, when added to the number of Ordinary Shares issued and issuable in respect of all options or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force, including the awards granted under Chew's Performance Share Plan, shall not exceed fifteen per cent. (15%) of the total issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the date preceding the date of the relevant grant of an Option

Notice of Annual General Meeting

and that such authority shall from time to time, unless revoked or varied by the Company in a 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 is required by law to be held, whichever is earlier.
[See Explanatory Note (4)]

(Resolution 8)

10. **Authority to allot and issue shares under the Chew's Performance Share Plan**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to offer and grant awards ("**Awards**") in accordance with the provisions of the Chew's Performance Share Plan and to allot and issue from time to time such number of ordinary shares in the capital of the Company ("**Ordinary Shares**") as may be required to be issued pursuant to the vesting of the Awards granted under the Chew's Performance Share Plan, provided always that the aggregate number of Ordinary Shares to be allotted and issued pursuant to the Chew's Performance Share Plan, when added to the number of Ordinary Shares issued and issuable in respect of all Awards, and all Ordinary Shares issued and issuable in respect of all options or awards granted under any other share incentive scheme or share plans adopted by the Company and for the time being in force, including the options granted under the Chew's Employee Share Option Scheme shall not exceed fifteen per cent. (15%) of the total issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the date preceding the date of the relevant grant and that such authority shall from time to time, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier.
[See Explanatory Note (5)] **(Resolution 9)**

11. **Authority to renew 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:

Notice of Annual General Meeting

(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 as at the date of the passing of this Resolution 10, 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 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 10 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

Notice of Annual General Meeting

(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 (6)] **(Resolution 10)**

BY ORDER OF THE BOARD

Janet Tan
Company Secretary
Singapore

11 January 2018

EXPLANATORY NOTES:

(1) Mr Yuen Sou Wai will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating, the Remuneration and the Risk Committees and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST. There are no relationships (including family relationships) between Mr Yuen Sou Wai and the other Directors, the Company and its ten per cent. (10%) shareholder. Further information on Mr Yuen Sou Wai can be found on page 11 of the annual report.

(2) Mr Chong Chin Fan will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit, the Nominating and the Risk Committees and 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 Chong Chin Fan and the other Directors, the Company and its ten per cent. (10%) shareholder. Further information on Mr Chong Chin Fan can be found on page 11 of the annual report.

(3) The Ordinary Resolution 7 proposed in item 8 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 and subsidiary holdings) at the time Resolution 7 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 7 is passed and any subsequent consolidation or subdivision of shares.

(4) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors, from the date of this Annual General Meeting until the next annual general meeting of the Company, or the date by

Notice of Annual General Meeting

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 ordinary shares pursuant to the exercise of Options granted or to be granted under the Chew's Employee Share Option Scheme and such other share-based incentive scheme or share plan up to a number not exceeding, in total, fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of the relevant grant.

(5) The Ordinary Resolution 9 proposed in item 10 above, if passed, will empower the Directors, from the date of this Annual General Meeting until 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 ordinary shares pursuant to the vesting of Awards under the Chew's Performance Share Plan and such other share-based incentive scheme or share plan up to a number not exceeding, in total, fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of the relevant grant.

(6) The Ordinary Resolution 10 proposed in item 11 above, if passed, will empower the Directors of the Company, from the date of 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 and subsidiary holdings, 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 11 January 2018.

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.

Notice of Annual General Meeting

3. 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.

4. 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 11 JANUARY 2018

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 2017 (the "**2017 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 26 January 2018 at 10.30 a.m. at Civil Service Club (Seminar Room 1 & 2), 91 Bukit Batok West Avenue 2, Singapore 659206, 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 2017 Annual Report.

If you have sold or transferred all your shares in the capital of the Company, represented by physical share certificate, you should immediately forward this Appendix, together with the notice of AGM and proxy form which are enclosed with the 2017 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 Catalist. 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).

CHEW'S GROUP LIMITED
(Company Registration No. 201020806C)
(Incorporated in the Republic of Singapore on 30 September 2010)

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

Appendix

DEFINITIONS

"**2017 Annual Report**"	:	The Annual Report of the Company for financial year ended 30 September 2017
"**2018 AGM**"	:	The AGM of the Company scheduled to be convened on 26 January 2018
"**ACRA**"	:	Accounting & Corporate Regulatory Authority of Singapore
"**AGM**"	:	The annual general meeting of the Company
"**Appendix**"	:	The appendix to Shareholders dated 11 January 2018 in relation to the proposed renewal of the Share Buy-Back Mandate
"**Associate**"	:	(a) in relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:- (i) his immediate family; (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 (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; or (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
"**Awards**"	:	The contingent award of Shares granted or which may be granted pursuant to the Plan
"**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**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company

Appendix

DEFINITIONS

"**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**"	:	29 December 2017, 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
"**New Shares**"	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of Options under the Scheme or the vesting of Awards under the Plan
"**Notice of AGM**"	:	The notice of AGM dated 11 January 2018
"**NTA**"	:	Net tangible asset
"**Options**"	:	The options which may be granted pursuant to the Scheme
"**Ordinary Resolution**"	:	Ordinary resolution as set out in the Notice of AGM which is on pages 106 to 112 of the 2017 Annual Report
"**Plan**" **or** "**Chew's Performance Share Plan**"	:	The performance share plan which was approved by Shareholders at the extraordinary general meeting held on 19 January 2011, as may be modified or altered from time to time
"**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 2018 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
"**Scheme**" **or** "**Chew's Employee Share Option Scheme**"	:	The employee share option scheme which was approved by Shareholders at the extraordinary general meeting held on 19 January 2011, as may be modified or altered from time to time
"**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

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DEFINITIONS

"**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
"**Substantial Shareholder**"	:	A person who has an interest 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	**Registered Office**
Mr Chew Chee Bin (Executive Chairman) Mr Chew Eng Hoe (Managing Director) Mr Chew Chee Keong (Non-Executive Director) Mr Yuen Sou Wai (Lead Independent Director) Mr Chong Chin Fan (Independent Director) Dr Choo Boon Seng (Independent Director)	80 Raffles Place, #32-01 UOB Plaza 1, Singapore 048624

11 January 2018

To: The Shareholders of Chew's Group Limited

Dear Shareholder,

1. INTRODUCTION

We refer to:

(a) the Notice of AGM dated 11 January 2018 accompanying the 2017 Annual Report, convening the 2018 AGM which is scheduled to be held on 26 January 2018; and

(b) Ordinary Resolution 10 in relation to the renewal of the Share Buy-Back Mandate under the heading "Special Business" set out in the Notice of AGM.

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made in this Appendix.

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 25 January 2017, the Shareholders approved the renewal of Share Buy-Back Mandate. As the Share Buy-Back Mandate will expire on the date of the forthcoming 2018 AGM, the Directors propose that the Share Buy-Back Mandate be renewed at the 2018 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.

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.

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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 2018 AGM for the proposed renewal of the Share Buy-Back Mandate.

If approved by Shareholders at the 2018 AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the 2018 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 Scheme and the Plan.

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 Options and the vesting of Awards. Under the Companies Act, the Company may deliver Shares pursuant to the exercise of Options granted under the Scheme and/or Awards granted under the Plan 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 benefit 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 <u>Maximum number of Shares</u>

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

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 as at the Approval Date, unless the Company has, at any time during the Relevant Period, reduced its share capital by a

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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 2018 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 2018 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 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;

(2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

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(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 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

(b) 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 (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.

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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 the Scheme and/or the grant of Awards under the Plan.

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:

(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;

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(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;

(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:

Appendix

(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

(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 to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. 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) 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 2017 are based on the following assumptions:

Appendix

(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 2018 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 7,240,556 Shares;

(b) cash of S$1 million had been disbursed from the wholly-owned subsidiaries to the Company prior to the purchase or acquisition of Shares by the Company;

(c) in the case of Market Purchase by the Company and assuming that the Company purchases or acquires 7,240,556 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$0.51 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$3.69 million;

(d) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 7,240,556 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$0.56 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$4.05 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 7,240,556 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of profit and/or capital and cancelled or held in treasury; and

(ii) purchase or acquisition of 7,240,556 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of profits and/or 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 2017 are set out below.

Appendix

Scenario 1A: Purchases made entirely out of capital and cancelled

	Group			Company		
	Before	After Share Buy-Back		Before	After Share Buy-Back	
	Share Buy-Back	Market Purchase	Off-Market Purchase	Share Buy-Back	Market Purchase	Off-Market Purchase
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
As at 30 September 2017						
Share Capital	13,292	9,599	9,237	13,292	9,599	9,237
Capital Reserve	2	2	2	-	-	-
Accumulated Profits	41,430	41,430	41,430	497	497	497
Translation Reserve	(18)	(18)	(18)	-	-	-
Shareholders' Funds	54,706	51,013	50,651	13,789	10,097[2]	9,735[2]
NTA	54,706	51,013	50,651	13,789	10,097	9,735
Current Assets	51,988	48,295	47,933	4,057	1,364	1,002
Current Liabilities	12,098	12,098	12,098	569	569	569
Working Capital	39,890	36,197	35,835	3,488	795	433
Total Borrowings	1,300	1,300	1,300	-	-	-
Cash and Cash Equivalents	44,932	41,239	40,877	3,072	379	17
Total Number of Issued Shares ('000)	84,498	77,257	77,257	84,498	77,257	77,257
Weighted Average Number of Shares ('000)	84,498	77,257	77,257	84,498	77,257	77,257
Profit Attributable to the Owners of the Company	3,421	3,421	3,421	383	383	383
Financial Ratios						
NTA per Share (S$)	0.65	0.66	0.66	0.16	0.13	0.13
Gearing (times)	0.02	0.03	0.03	-	-	-
Current Ratio (times)	4.30	3.99	3.96	7.13	2.40	1.76
EPS [1] (cents)	4.05	4.43	4.43	0.45	0.50	0.50

Notes:

[1] For EPS 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 1B: Purchases made entirely out of profit and cancelled

	Group			Company		
	Before	After Share Buy-Back		Before	After Share Buy-Back	
	Share Buy-Back	Market Purchase	Off-Market Purchase	Share Buy-Back	Market Purchase	Off-Market Purchase
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
As at 30 September 2017						
Share Capital	13,292	13,292	13,292	13,292	13,292	13,292
Capital Reserve	2	2	2	-	-	-
Accumulated Profits	41,430	37,737	37,375	497	(3,196)	(3,558)
Translation Reserve	(18)	(18)	(18)	-	-	-
Shareholders' Funds	54,706	51,013	50,651	13,789	10,097[2]	9,735[2]
NTA	54,706	51,013	50,651	13,789	10,097	9,735
Current Assets	51,988	48,295	47,933	4,057	1,364	1,002
Current Liabilities	12,098	12,098	12,098	569	569	569
Working Capital	39,890	36,197	35,835	3,488	795	433
Total Borrowings	1,300	1,300	1,300	-	-	-
Cash and Cash Equivalents	44,932	41,239	40,877	3,072	379	17
Total Number of Issued Shares ('000)	84,498	77,257	77,257	84,498	77,257	77,257
Weighted Average Number of Shares ('000)	84,498	77,257	77,257	84,498	77,257	77,257
Profit Attributable to the Owners of the Company	3,421	3,421	3,421	383	383	383
Financial Ratios						
NTA per Share (S$)	0.65	0.66	0.66	0.16	0.13	0.13
Gearing (times)	0.02	0.03	0.03	-	-	-
Current Ratio (times)	4.30	3.99	3.96	7.13	2.40	1.76
EPS [1] (cents)	4.05	4.43	4.43	0.45	0.50	0.50

Notes:

(1) For EPS 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 2A: Purchases made entirely out of capital and held as Treasury Shares

	Group			Company		
	Before	After Share Buy-Back		Before	After Share Buy-Back	
	Share Buy-Back	Market Purchase	Off-Market Purchase	Share Buy-Back	Market Purchase	Off-Market Purchase
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
As at 30 September 2017						
Share Capital	13,292	13,292	13,292	13,292	13,292	13,292
Capital Reserve	2	2	2	-	-	-
Accumulated Profits	41,430	41,430	41,430	497	497	497
Translation Reserve	(18)	(18)	(18)	-	-	-
Treasury Shares	-	(3,693)	(4,055)	-	(3,693)	(4,055)
Shareholders' Funds	54,706	51,013	50,651	13,789	10,097[2]	9,735[2]
NTA	54,706	51,013	50,651	13,789	10,097	9,735
Current Assets	51,988	48,295	47,933	4,057	1,364	1,002
Current Liabilities	12,098	12,098	12,098	569	569	569
Working Capital	39,890	36,197	35,835	3,488	795	433
Total Borrowings	1,300	1,300	1,300	-	-	-
Cash and Cash Equivalents	44,932	41,239	40,877	3,072	379	17
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
Profit Attributable to the Owners of the Company	3,421	3,421	3,421	383	383	383
Financial Ratios						
NTA per Share (S$)	0.65	0.60	0.60	0.16	0.12	0.12
Gearing (times)	0.02	0.03	0.03	-	-	-
Current Ratio (times)	4.30	3.99	3.96	7.13	2.40	1.76
EPS [1] (cents)	4.05	4.05	4.05	0.45	0.45	0.45

Notes:

(1) For EPS 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 2B: Purchases made entirely out of profits and held as Treasury Shares

	Group			Company		
	Before	After Share Buy-Back		Before	After Share Buy-Back	
	Share Buy-Back	Market Purchase	Off-Market Purchase	Share Buy-Back	Market Purchase	Off-Market Purchase
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
As at 30 September 2017						
Share Capital	13,292	13,292	13,292	13,292	13,292	13,292
Capital Reserve	2	2	2	-	-	-
Accumulated Profits	41,430	41,430	41,430	497	497	497
Translation Reserve	(18)	(18)	(18)	-	-	-
Treasury Shares	-	(3,693)	(4,055)	-	(3,693)	(4,055)
Shareholders' Funds	54,706	51,013	50,651	13,789	10,097[2]	9,735[2]
NTA	54,706	51,013	50,651	13,789	10,097	9,735
Current Assets	51,988	48,295	47,933	4,057	1,364	1,002
Current Liabilities	12,098	12,098	12,098	569	569	569
Working Capital	39,890	36,197	35,835	3,488	795	433
Total Borrowings	1,300	1,300	1,300	-	-	-
Cash and Cash Equivalents	44,932	41,239	40,877	3,072	379	17
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
Profit Attributable to the Owners of the Company	3,421	3,421	3,421	383	383	383
Financial Ratios						
NTA per Share (S$)	0.65	0.60	0.60	0.16	0.12	0.12
Gearing (times)	0.02	0.03	0.03	-	-	-
Current Ratio (times)	4.30	3.99	3.96	7.13	2.40	1.76
EPS [1] (cents)	4.05	4.05	4.05	0.45	0.45	0.45

Notes:

(1) For EPS 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.

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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 2017, 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.

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:

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(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.

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.

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.

Appendix

(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 (%)[3]	After Share Buy-Back (%)[4]
	Direct Interest	Deemed Interest		
Chew Chee Bin [1],[2]	351,025	-	0.42	0.46
Chew Eng Hoe [2]	343,350	-	0.41	0.45
Chew Chee Keong [1],[2]	597,025	-	0.71	0.79

Notes:

(1) Chew Chee Bin, the Group's Executive Chairman and Chew Chee Keong, the Group's Non-Executive Director are siblings.

(2) Chew Eng Hoe, the Group's Managing Director, Chew Chee Bin and Chew Chee Keong are cousins.

(3) The percentages in the table are calculated based on 84,498,000 Shares 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.

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 the Directors will remain below thirty per cent. (30%). Accordingly, no general offer by the Directors 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		
Fenghe Investment Holding Pte.Ltd. **("Fenghe Investment")** [1]	57,580,341	-	68.14	75.72
Chew Chu Hoo	5,732,375	-	6.78	7.54
Chew's Farm Holdings Pte.Ltd. **("Chew's Farm Holdings")** [2]		57,580,341	68.14	75.72

Notes:

(1) Fenghe Investment is an investment holding company incorporated in Singapore on 20 September 2010. It is held by Messrs Chew See Lian (1,958 shares (9.79%)), Chew Suu Hai (3,758 shares (18.79%)), Chew Chu Hoo (2,088 shares (10.44%)), Chew Eng Kiat (1,006 shares (5.03%)), Chew Eng Hoe (2,266 shares (11.33%)), Chew Eng Keng (870 shares (4.35%)) and Chew's Farm Holdings (8,054 shares (40.27%)).

(2) Chew's Farm Holdings is deemed interested in the 57,580,341 Shares held by Fenghe Investment by virtue of its 40.27% shareholding interest in Fenghe Investment 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, Fenghe Investment and Chew's Farm Holdings own an aggregate of 68.14% 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 Fenghe Investment and Chew's Farm Holdings will remain above fifty per cent (50%). Accordingly, no general offer is required to be made pursuant to the Take-over Code.

Appendix

(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 340 Shareholders and approximately 14,966,300 issued Shares were held by the public, representing 17.71% of the total number of issued Shares. 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 6,516,500 Shares, representing approximately 8.57% of the remaining issued Shares of the Company. Therefore, in such a case and in order not to adversely affect the listing status of Shares on the SGX-ST, the Company will not be permitted to undertake purchases or acquisitions of its Shares to the full ten per cent. (10%) limit pursuant to the Share Buy-Back Mandate. Accordingly, the Company is restricted to market purchases of up to 7,240,556 Shares which would result in the number of Shares in the hands of the public to be reduced to 7,725,744 Shares, representing ten per cent. (10%) of the remaining issued Shares of the Company.

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 <u>Shares purchased by the Company</u>

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.

Appendix

3. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2018 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 2018 AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2018 AGM if he so wishes in place of the proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2018 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 2018 AGM.

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 10 pertaining to the proposed renewal of the Share Buy-Back Mandate to be proposed at the 2018 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 2017 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 2018 AGM.

Yours faithfully

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

Chew Chee Bin
Executive Chairman
11 January 2018

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 Civil Service Club (Seminar Room 1 & 2), 91 Bukit Batok West Avenue 2, Singapore 659206 on Friday, 26 January 2018 at 10.30 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 Directors' Statement and the Audited Financial Statements for the financial year ended 30 September 2017 together with the Auditors' Report thereon.		
2.	To declare a first and final dividend of 0.50 Singapore cents per ordinary share (one-tier tax-exempt) for the financial year ended 30 September 2017 (2016: 0.49 Singapore cents per ordinary share).		
3.	To re-elect Mr Yuen Sou Wai who retires pursuant to Regulation 100 of the Company's Constitution and who, being eligible, offers himself for re-election, as a Director of the Company.		
4.	To re-elect Mr Chong Chin Fan who retires pursuant to Regulation 100 of the Company's Constitution and who, being eligible, offers himself for re-election, as a Director of the Company.		
5.	To approve the payment of Directors' fees of S$158,950 for the financial year ending 30 September 2018, payable half yearly in arrears.		
6.	To re-appoint Messrs Deloitte & Touche LLP as external auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	To grant the Directors the authority to allot and issue shares in the capital of the Company.		
8.	To grant the Directors the authority to allot and issue shares in the capital of the Company under the Chew's Employee Share Option Scheme.		
9.	To grant the Directors the authority to allot and issue shares in the capital of the Company under the Chew's Performance Share Plan.		
10.	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 ________________ 2018.

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

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

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 must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy 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

AFFIX
STAMP

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

2nd fold here

3rd fold here and seal