

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

PRE-CONDITIONAL MANDATORY CASH OFFER BY GOLDHILL TRUST PTE. LTD. TO ACQUIRE ALL OF THE ISSUED ORDINARY SHARES IN THE CAPITAL OF CHEW'S GROUP LIMITED OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT

1. Introduction

The Board of Directors (the "**Board**" or "**Directors**") of Chew's Group Limited ("**Company**") wishes to refer the shareholders of the Company ("**Shareholders**") to the announcement dated 22 August 2018 ("**Pre-Conditional Offer Announcement**") made by Goldhill Trust Pte. Ltd. ("**Offeror**") relating to a pre-conditional mandatory general cash offer under Rule 14 of the Singapore Code on Takeovers and Mergers ("**Code**") for all the issued ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror ("**Offer Shares**").

The Offeror had in the Pre-Conditional Offer Announcement announced that it had on 8 June 2018 entered into a non-legally binding term sheet ("**Term Sheet**") with Fenghe Investment Holding Pte. Ltd. ("**Fenghe**"), for the acquisition of 57,580,341 ordinary shares ("**Sale Shares**") from Fenghe, representing approximately 68.14% of the total issued and paid-up share capital of the Company, at the price of S\$0.2107 per Sale Share, for a total of S\$12,132,177.85 to be satisfied in cash ("**Acquisition**").

Further to the Term Sheet, the Offeror had today entered into a conditional sale and purchase agreement ("**SPA**") with Fenghe for the Acquisition, subject to the terms of the SPA. The completion of the Acquisition ("**Completion**") is subject to the fulfilment (or waiver) of the conditions precedent in the SPA ("**Pre-Conditions**"), which shall be fulfilled (or waived) on or before 8 October 2018, or such other date as the Offeror and Fenghe may mutually agree upon ("**Longstop Date**"). The Pre-Conditions are set out in Schedule 1 of the Pre-Conditional Offer Announcement.

Upon Completion, Fenghe will cease to be a Shareholder and the Offeror will become the new controlling Shareholder of the Company, holding 57,580,341 shares, representing approximately 68.14% of the total issued and paid-up share capital of the Company.

Accordingly, upon Completion, the Offeror will make the mandatory general cash offer ("**Offer**") under Rule 14 of the Code for the Offer Shares.

Further details on the terms of the Acquisition, Pre-Conditions and the terms of the Offer are set out in the Pre-Conditional Offer Announcement. Shareholders are advised to refer to and review the full text of the Pre-Conditional Offer Announcement in its entirety and carefully for, *inter alia*, the principal terms of the Acquisition, Pre-Conditions and the Offer.

A copy of the Pre-Conditional Offer Announcement is attached to this announcement and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com. Shareholders are advised to review, in conjunction with this Announcement, the Pre-Conditional Offer Announcement in its entirety and carefully and in particular, for details of the Offer, information on the Offeror, the rationale for the Offer and the Offeror's intentions for the Company in respect of the listing status of the Company.

Shareholders should note that, as stated in the Pre-Conditional Offer Announcement, the Offer will not be made unless the Pre-Conditions are fulfilled (or waived) on or before the Longstop Date (or such other date as Fenghe and the Offeror may agree in writing), and Completion occurs. In the event that the Pre-Conditions are not satisfied by the Longstop Date, the Offer will not be made and the Offeror will issue an announcement, confirming that fact as soon as reasonably practicable.

Accordingly, all references to the Offer in the Pre-Conditional Offer Announcement refer to the possible Offer which will only be made if and when the Pre-Conditions are fulfilled (or waived) on or before the Longstop Date and Completion has occurred.

In the meantime, Shareholders are advised to exercise caution when dealing with their shares and to refrain from taking any action in respect of shares which may be prejudicial to their interests. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

2. Despatch of Offer Document

If and when the Pre-Conditions are fulfilled and Completion occurs, the Offeror will immediately announce the firm intention on the part of the Offeror to make the Offer ("**Offer Announcement**"). The formal offer document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer ("**Offer Document**"), will be despatched to the holders of the Offer Shares not earlier than 14 days and not later than 21 days from the date of the Offer Announcement.

3. Independent Financial Adviser

The Board will be appointing an independent financial adviser ("**IFA**") in due course to advise the Directors who are considered independent for the purposes of the Offer ("**Independent Directors**"). If and when the Offer is made, a circular ("**Offeree Circular**") containing, *inter alia*, the advice of the IFA and the recommendation of the Independent Directors will be sent to Shareholders within 14 days from the date of despatch of the Offer Document to be issued by the Offeror in connection with the Offer.

4. Directors' Responsibility Statement

The Directors (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no other material facts have been omitted from this announcement, which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Pre-Conditional Offer Announcement), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

BY ORDER OF THE BOARD

Chew Chee Bin
Executive Chairman

22 August 2018

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

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

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

PRE-CONDITIONAL MANDATORY CASH OFFER

by

GOLDHILL TRUST PTE. LTD.

(Incorporated in Singapore)

(Company No.: 201815906H)

to acquire all of the issued ordinary shares in the capital

of

CHEW'S GROUP LIMITED

(Incorporated in Singapore)

(Company No.: 201020806C)

other than those already owned, controlled or agreed to be acquired
by the Offeror and parties acting in concert with it.

1. INTRODUCTION

1.1. The Acquisition

On 8 June 2018, Goldhill Trust Pte. Ltd ("**Offeror**") and Fenghe Investment Holding Pte. Ltd. ("**Fenghe**") entered into a non-legally binding term sheet ("**Term Sheet**") for the proposed acquisition by the Offeror from Fenghe of 57,580,341 ordinary shares ("**Sale Shares**"), representing approximately 68.14% of the total issued and paid-up share capital of the Company ("**Acquisition**") at the price of S\$0.2107 per Sale Share, for a total of S\$12,132,177.85 to be satisfied in cash ("**Consideration**").

1.2. Pre-Conditional Offer

On 22 August 2018, the Offeror and Fenghe entered into a conditional sale and purchase agreement ("**SPA**") for the Acquisition. Completion of the SPA is conditional upon the conditions precedent set out in Schedule 1 hereto ("**Pre-Conditions**") being fulfilled. Upon fulfillment (or waiver) of the Pre-Conditions and completion of the Acquisition ("**Completion**"), the Offeror will make a mandatory general cash offer ("**Offer**") under Rule 14 of the Singapore Code on Takeovers and Mergers ("**Code**") for all the issued ordinary shares ("**Shares**") in the capital of Chew's Group Limited ("**Company**", together with its subsidiary, to be referred to as the "**Group**", and each a "**Group Company**"), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror ("**Offer Shares**").

As at the date of this announcement, the Offeror and parties acting in concert with the Offeror do not own or control, directly or indirectly, any Shares. In the event Completion occurs, the Offeror will own or control in aggregate 57,580,341 Shares, representing approximately 68.14% of the total issued Shares.

The Offer will not be made unless and until satisfaction of the Pre-Conditions have been fulfilled (or waived). Accordingly, all references to the Offer in this announcement refer to the possible Offer which will only be made if and when the Pre-Conditions are satisfied.

Shareholders of the Company should exercise caution and seek appropriate independent advice when dealing with Shares.

2. SALIENT TERMS OF THE SPA

2.1. Sale Shares and Consideration

The Sale Shares shall be sold by Fenghe to the Offeror free from all encumbrances and together with all rights attached thereto as at the date of Completion and thereafter.

The purchase consideration for the Sale Shares shall be at S\$0.2107 per Sale Share, at a total consideration of S\$12,132,177.85.

2.2. Pre-Conditions

The Offer will not be made unless the Pre-Conditions are fulfilled and Completion occurs.

2.3. Longstop Date

The Pre-Conditions are to be fulfilled (or waived) on or before 8 October 2018, or such other later date as Offeror and Fenghe may mutually agree upon, and subject to the Securities Industry Council's ("**Council**") prior approval ("**Longstop Date**"). The completion of the Acquisition will take place within seven (7) business days from fulfilment or waiver of the Pre-Conditions .

2.4. Right to terminate the SPA

In the event the Pre-Conditions are not fulfilled (or waived) by 6:00 p.m. on 8 October 2018, unless otherwise extended by Fenghe and the Offeror and approved by the Council, the SPA shall automatically terminate.

3. THE OFFER

3.1. Subject to the fulfilment of the Pre-Conditions and Completion, the Offeror will make the

Offer for the Offer Shares on Completion on the following basis:

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

The Offer, if and when made, will be unconditional in all respects. The Offeror does not intend to revise the Offer Price.

- 3.2. The Offer Shares will be acquired fully paid-up, free from all mortgages, liens, charges, rights of pre-emption, third party rights, security interests or other encumbrances whatsoever and together with all rights, benefits, entitlements and advantages attaching thereto as at Completion and thereafter attaching thereto, including all voting rights and the right to receive and retain all dividends, rights and other distributions which may be announced or declared by the Company or the entitlement to which is determined by the Company, each on or after Completion.

4. ANNOUNCEMENT OF THE OFFER AND DESPATCH OF OFFER DOCUMENT

If and when the Pre-Conditions are fulfilled and Completion occurs, the Offeror will immediately announce the firm intention on the part of the Offeror to make the Offer ("**Offer Announcement**"). The offer document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer ("**Offer Document**") will be despatched to the holders of the Offer Shares not earlier than 14 days and not later than 21 days after the date of the Offer Announcement.

However, if the Pre-Conditions are not fulfilled on or before the Longstop Date and/or Completion does not occur, the Offer will not be made and the Offeror will issue an announcement confirming the fact as soon as reasonably practicable.

5. INFORMATION ON THE OFFEROR

The Offeror is a special purpose vehicle incorporated in Singapore on 10 May 2018 for the purpose of undertaking the Acquisition. Its principal activities are those of an investment holding company. The Purchaser has not carried on any business since its incorporation, except for matters in connection with the Acquisition. As at the date of this announcement, the Offeror has an issued and paid-up share capital of S\$2 comprising two (2) issued ordinary shares. The shareholders of the Offeror are Mr Tan Pei Hong, Alex and Mr Tan Theng Hong, Amos, each of whom holds one (1) ordinary share in the capital of the Offeror. Mr Tan Pei Hong, Alex and Mr Tan Theng Hong, Amos are also directors of the Offeror.

6. RATIONALE FOR THE OFFER

The shareholders of the Offeror are businessmen with a diversified investment portfolio. Following the Offer, the Offeror intends to undertake a review of the business of the

business of the Group with a view to strengthen the financial position and identifying areas in which potential may be optimised or strategic direction and operations of the Group can be enhanced. This includes, amongst others, seeking Shareholders' approval for the Group to diversify its business.

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

7. COMPULSORY ACQUISITION

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer for not less than 90% of the total number of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer, including the Sale Shares purchased from Fenghe), the Offeror would be entitled to exercise its right to compulsorily acquire, at the Offer Price, all Shares held by Shareholders who have not accepted the Offer on the same terms as those offered under the Offer.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of the Shares, Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price.

Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

8. LISTING STATUS

Pursuant to Rule 723 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Company must ensure that at least 10% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is at all times held by the public (the "**Free Float Requirement**").

Pursuant to Rule 1104 of the Catalist Rules, in the event that the Offeror and parties acting or deemed to be acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of

Shares (excluding treasury shares) are held by at least 200 Shareholders who are members of the public.

Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.

In addition, under Rule 724(1) of the Catalist Rules, if the Free Float Requirement is not complied with, the Company must, as soon as possible, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, for the percentage of the Shares held by members of the public to be raised to at least 10%, failing which the Company may be delisted from the SGX-ST.

It is the current intention of the Offeror to maintain the listing status of the Company on the Catalist board of the SGX-ST. In the event that the Company does not meet the Free Float Requirement at the close of the Offer and the SGX-ST suspends trading in the Shares, the Offeror intends to work together with the Company and take such steps which are necessary to restore the free float of the Company in order to maintain the listing status of the Company.

9. FINANCIAL

The Offer Price represents a discount over the benchmark prices of the Offer Shares as listed below:

Description	Benchmark price (S\$) ⁽¹⁾	Discount over benchmark price (%)
(i) Last transacted price of the Shares on SGX-ST on 21 August 2018, being the last trading day prior to this announcement (" Last Trading Day ")	0.290	27.3
(ii) Volume-weighted average price (" VWAP ") of the Shares traded on the SGX-ST for one (1) month period up to and including the Last Trading Day	0.285	26.0
(iii) VWAP of the Shares traded on the SGX-ST for the three (3) month period up to and including the Last Trading Day	0.283	25.5
(iv) Volume-weighted average price (" VWAP ")	0.374	43.7

of the Shares traded on the SGX-ST for six (6) month period up to and including the Last Trading Day		
(v) VWAP of the Shares traded on the SGX-ST for the twelve (12) month period up to and including the Last Trading Day	0.466	54.8

Notes:

(1) The figures are based on data extracted from Bloomberg.

10. DISCLOSURE

10.1. As at date of this announcement, save for the Sale Shares to be acquired by the Offeror pursuant to the Acquisition (subject to the Pre-Conditions):

- (a) none of the Offeror and parties acting in concert with the Offeror ("**Relevant Person**") own or control, directly or indirectly, any Shares or securities which carry voting rights in the Company ("**Company Securities**"), or has dealt for value in any of the Company Securities in the 6-month period immediately preceding this announcement;
- (b) none of the Relevant Persons has granted a security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise, borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold) or lent any Company Securities to another person;
- (c) the Offeror has not entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material of the Offer; and
- (d) neither the Offeror nor any of its concert parties has received any irrevocable undertaking from any holder of the Offer Shares to accept or reject the Offer (if and when made).

10.2. In the interests of confidentiality, the Offeror has not made any enquiries in respect of certain other persons who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures (if any) will be made in due course subsequently and in the Offer Document.

11. OVERSEAS JURISDICTIONS

11.1. This announcement does not constitute an offer to sell or the solicitation of an offer to

subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law. The Offer, if made, will be made solely by the Offer Document and the form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer (if and when made) is open to all Shareholders holding Offer Shares, including those to whom the Offer Document and relevant forms of acceptance may not be sent.**

- 11.2.** The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions in which this announcement is released, published or distributed should inform themselves about and observe such restrictions.
- 11.3.** Copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.
- 11.4.** The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.
- 11.5.** The ability of the Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

12. RESPONSIBILITY STATEMENT

The directors of the Offeror (who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and jointly and severally accept

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

Issued by
Goldhill Trust Pte. Ltd.
22 August 2018

SCHEDULE 1

It is a pre-condition to making the Offer that the Acquisition is completed upon the fulfilment of the following conditions (which shall be fulfilled on or before the Longstop Date). The Pre-Conditions are as follows:

- (a) Fenghe procuring that the Company has no less than S\$13.5 million in freely useable and uncommitted cash in the Company's bank account(s) as at the date of Completion ("**Retained Cash**");
- (b) results of such legal and financial due diligence (if any) on the Company to determine and establish the following:
 - (i) the Company not having any outstanding borrowings, loans, debt securities, finance leases or other indebtedness (other than trade payables arising in the ordinary course of business of Chew's Food International Limited) or any other liabilities (whether contingent or otherwise);
 - (ii) the Company not having lent any money (in any form) to any person which has not been repaid;
 - (iii) the Company is not engaged in or not subject to any claim, litigation, arbitration, alternative dispute resolution proceedings, audit, investigation, inquiry, order, ruling, enforcement proceedings or process (collectively, "**Claims**") and there are no such Claims pending or threatened by or against the Company, and there are no circumstances which are likely to give rise to any such Claims by or against the Company;
 - (iv) the Company is not insolvent or has become unable or is threatened to become unable to pay its debts or otherwise has become insolvent, or is subject to any insolvency proceeding or order or compromise, in any relevant jurisdiction. No liquidator, receiver, receiver and manager, administrative receiver or any other officer having similar role has been appointed in respect of the Company or in respect of the assets or undertaking of the Company;
 - (v) the Company has submitted to the relevant tax authority all necessary filings and tax returns, which are accurate and complete in a timely manner, and has made full payment of all taxes that are payable by law, imposed or due and all other public dues, by the due dates of payment, and has made all deductions and withholdings in respect or on account of taxation which it is required or entitled by any relevant legislation to make from any payments;
 - (vi) the Company has not granted any power of attorney or similar authority which remains in force;

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- (vii) the Company is materially in compliance with all applicable laws, statutes, orders, regulations, directives, rules, constitution, judgements, rulings or the like ("**Laws**") and complied in all respects with all the terms and conditions of, all licenses, authorisations and consents; and
 - (viii) the accounts or financial statements (whether audited or unaudited) of the Company have been prepared in accordance with the Singapore Financial Reporting Standards, the Companies Act (Cap. 50) of Singapore and/or other applicable standards and laws;
- (c) no receipt of any ruling, warning or correspondence by the Company from the SGX-ST, the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., and/or such other relevant authorities that the Company will be removed from the Official List of the SGX-ST; and
- (d) the Offeror obtaining a ruling from the Council that (i) the appointment of Mr Chew Eng Hoe as managing director of Chew's Food International Limited; and (ii) the payment in lieu of notice and entitlement to a pro-rata annual wage supplement under Mr Chew Chee Bin's existing service contract pursuant to his resignation at the close of the Offer does not constitute a special deal under Rule 10 of the Code.