



Far East Group Limited
(Company Registration No.:196400096C)
(Incorporated in the Republic of Singapore on 18 March 1964)

**MEMORANDUM OF UNDERSTANDING FOR THE PROPOSED ACQUISITION AND PARTIAL
LEASEBACK OF 51 UBI AVENUE 3, SINGAPORE 408858**

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Far East Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 10 August 2017, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Moduslink Pte. Ltd. (the “**Vendor**”), for the proposed acquisition of the property situated at 51 Ubi Avenue 3, Singapore 408858 (the “**Property**”) (the “**Proposed Acquisition**”). The Vendor is an independent and unrelated third party.

In addition to the Proposed Acquisition, the MOU also sets out some of the terms and conditions for the leaseback of approximately 75,000 square feet of the Property by the Company to the Vendor for the period from the date of completion of the Proposed Acquisition up to 31 December 2019 (the “**Proposed Partial Leaseback**”, and together with the Proposed Acquisition, the “**Proposed Transactions**”).

2. INFORMATION ON THE PROPERTY AND RATIONALE FOR THE PROPOSED ACQUISITION

The Property, being a 2-storey industrial building, has a gross floor area of approximately 167,692 square feet with a leasehold tenure of 60 years commencing 1 January 1990.

The rationale of the Proposed Acquisition is to consolidate the operations of the Group which are currently being carried out at various locations on the Property. Such consolidation would enhance management’s oversight, operational efficiencies and interaction among the staff.

3. SALIENT TERMS OF THE MOU

The Company and the Vendor will not be under any obligation to proceed with the Proposed Transactions contemplated under the MOU unless the (i) conditions precedent under the MOU are satisfied; and (ii) definitive legal agreements are entered into between the Company and the Vendor in relation to the Proposed Transactions.

The Company shall complete due diligence on the Property within four (4) weeks from the date of the MOU (or such other period as may be extended by written agreement of the parties) (the “**Exclusivity Period**”) and the parties will endeavour to execute the definitive legal agreements prior to the end of the Exclusivity Period. During the Exclusivity Period, the Vendor will procure that person or persons controlling the Vendor or controlled by the Vendor directly or indirectly, refrain from engaging in any discussions or negotiations with any person with respect to the sale of the Property or any transaction in connection with the

Property that will or is likely to impair, prevent or be competitive with, the Proposed Transactions.

4. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) as appropriate when there are material developments to the Proposed Transactions.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and controlling shareholders of the Company or their associates have any interests, direct or indirect, in the Proposed Transactions, other than through each of their respective shareholding interests, direct and/or indirect (if any), in the Company.

6. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their securities in the Company as the Proposed Transactions are subject to conditions precedent and there is no certainty or assurance as at the date of this announcement that all of the conditions precedent will be satisfied (or waived, as the case may be) or that the Proposed Transactions will be completed. In the event that shareholders and potential investors are in doubt when dealing in the shares of the Company, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Loh Mun Yew

Chief Executive Officer and Executive Director

11 August 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes 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. Lee Khai Yinn (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.