

CIRCULAR DATED 12 APRIL 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Far East Group Limited (the “Company”, together with its subsidiaries, the “Group”). If you are in any doubt about the contents of this Circular or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or any other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company (the “Shares”), held through The Central Depository (Pte) Limited (the “CDP”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by the CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificates(s), you should immediately forward this Circular, the enclosed Notice of EGM (as defined herein) and the accompanying Proxy Form (as defined herein) to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular.

The Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for accuracy of the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

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.



Far East Group Limited

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

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED DISPOSAL OF THE PROPERTY SITUATED AT 112 LAVENDER STREET, SINGAPORE 338728

IMPORTANT DATES AND TIMES

- | | | |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 24 April 2018 at 11.30 a.m. |
| Date and time of Extraordinary General Meeting | : | 27 April 2018 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM (as defined herein) of the Company to be held at 11.00 a.m. on the same day and at the same place) |
| Place of Extraordinary General Meeting | : | 112 Lavender Street, #02-01 Far East Refrigeration Building, Singapore 338728 |

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DEFINITIONS

For the purpose of this Circular, the following definitions have, where appropriate, been used:

“Acquired Property”	:	51 Ubi Avenue 3, Singapore 408858
“Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“AGM”	:	The annual general meeting of the Company
“Board”	:	The board of Directors of the Company
“Business Day”	:	A day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in Singapore
“Catalist”	:	The Catalist Board of the SGX-ST
“Catalist Rules”	:	Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 12 April 2018 issued by the Company in relation to the Proposed Disposal
“Commission”	:	Has the meaning ascribed to it in Section 2.4 of this Circular
“Company”	:	Far East Group Limited
“Completion”	:	Has the meaning ascribed to it in Section 2.4 of this Circular
“Conditions Precedent”	:	Has the meaning ascribed to it in Section 2.4 of this Circular
“Consideration”	:	The sale consideration for the Property, being S\$27,000,000 (exclusive of GST thereon, where applicable)
“Constitution”	:	The constitution of the Company currently in force
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating practice of the Company
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or (b) in fact exercises Control over the Company

“Deposit”	:	Has the meaning ascribed to it in Section 2.2(b) of this Circular
“Director”	:	A director of the Company for the time being
“EGM”	:	The extraordinary general meeting of Shareholders to be held on 27 April 2018, notice of which is set out on pages 13 and 14 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended or ending 31 December (as the case may be)
“Group”	:	The Company and its subsidiaries, collectively
“GST”	:	Goods and services tax
“Independent Valuer”	:	SRX Valuations, a division of StreetSine Singapore Pte Ltd
“Latest Practicable Date”	:	23 March 2018, being the latest practicable date prior to the printing of this Circular
“Net Proceeds”	:	The net proceeds from the Proposed Disposal of approximately S\$26,200,000
“Notice of EGM”	:	The notice of EGM set out on pages 13 and 14 of this Circular
“NTA”	:	Net tangible assets
“Option”	:	The conditional option to the purchase agreement issued by the Company to the Purchaser on 23 March 2018
“Option Fee”	:	Has the meaning ascribed to it in Section 2.2(a) of this Circular
“Ordinary Resolution”	:	The ordinary resolution to be passed by shareholders at the EGM to be convened for shareholders to consider and approve the Proposed Disposal
“Property”	:	The property situated at 112 Lavender Street, Singapore 338728
“Proposed Disposal”	:	The proposed disposal of the Property to the Purchaser on the terms and conditions of the conditional option to the purchase agreement
“Proxy Form”	:	The Proxy Form attached to this Circular
“Purchaser”	:	Chang Hua Construction Pte Ltd

“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, modified, or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares and in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“Valuation Report”	:	The valuation report dated 17 January 2018 issued by the Independent Valuer on the market value of the Property
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued capital in the Company
“S\$” or “cents”	:	Singapore dollars and cents, respectively
“%”	:	Per centum or percentage

The terms “**Depositor**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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 and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to Sections in this Circular shall refer to the sections of the Letter of Shareholders.

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

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated

LETTER TO SHAREHOLDERS

FAR EAST GROUP LIMITED

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

Directors:

Ms. Loh Pui Lai	<i>Non-Executive Chairman</i>
Mr. Loh Mun Yew	<i>Chief Executive Officer and Executive Director</i>
Mr. Leng Chee Keong	<i>Chief Operating Officer (Sales and Marketing) and Executive Director</i>
Mr. Hew Koon Chan	<i>Lead Independent Non-Executive Director</i>
Mr. Mak Yen-Chen Andrew	<i>Independent Non-Executive Director</i>
Mr. Tan Hwee Kiong	<i>Independent Non-Executive Director</i>

Registered Office:

112 Lavender Street,
#04-00 Far East
Refrigeration Building,
Singapore 338728

12 April 2018

To: The Shareholders of Far East Group Limited

Dear Sir/Madam

THE PROPOSED DISPOSAL OF THE PROPERTY SITUATED AT 112 LAVENDER STREET, SINGAPORE 338728

1. INTRODUCTION

- 1.1 On 23 March 2018, the Board announced that the Company had on same day, issued the Option to the Purchaser, an independent and unrelated third party, to grant an option to the Purchaser for the sale of the Property. The Purchaser will exercise the Option within one (1) week from the EGM provided that Shareholders' approval is obtained for the Proposed Disposal.
- 1.2 The Proposed Disposal constitutes a major transaction within the meaning of Chapter 10 of the Catalist Rules, and accordingly, the Proposed Disposal is conditional upon the approval of Shareholders being obtained.
- 1.3 The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval, for the Proposed Disposal at the EGM to be held on 27 April 2018.
- 1.4 The SGX-ST assumes no responsibility for the accuracy for any statements or opinions made or reports contained in this Circular.

2. THE PROPOSED DISPOSAL

2.1 Information on the Property

The Property is a four-storey building situated at 112 Lavender Street, Singapore 338728 and occupies a land area of approximately 1,936 square metres. The Property is a freehold estate and it serves as the regional headquarters of the Group's operations. The Property has a net book value of approximately S\$4,200,000 as at 31 December 2017.

2.2 Consideration and terms of payment

The Consideration for the Proposed Disposal excluding GST is S\$27,000,000. The Consideration was arrived at based on arm's length negotiations and on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, prevailing market conditions and the current market prices of the properties in the surrounding vicinity of the Property.

The Consideration will be fully satisfied in cash and will be paid by the Purchaser to the Company in the following manner:

- (a) an initial deposit of S\$270,000 (the "**Option Fee**") together with GST payable thereon, equivalent to 1% of the Consideration, which had been paid by the Purchaser on 23 March 2018;
- (b) a further deposit of S\$1,080,000 together with GST payable thereon, equivalent to 4% of the Consideration will be received by the Company from the Purchaser no later than one (1) week after Shareholders' approval is obtained by the Company; and
- (c) the balance of the Consideration of S\$25,650,000 together with GST payable thereon, which is equivalent to 95% of the Consideration, will be received by the Company from the Purchaser upon completion of the Proposed Disposal.

The grant of the Option by the Company shall only be effective immediately after the conclusion of the EGM to be convened by the Company to obtain Shareholders' approval for the Proposed Disposal, provided that Shareholders' approval is obtained at that EGM. In the event the Company is unable to obtain Shareholders' approval for the Proposed Disposal at the first EGM, the Company shall inform the Purchaser of the outcome of the EGM and refund the Option Fee to the Purchaser (unless otherwise agreed between the Company and the Purchaser that, *inter alia*, the Company shall convene a second general meeting to obtain the necessary Shareholders' approval).

2.3 Valuation of the Property

Based on a Valuation Report issued by the Independent Valuer, with the residual method being adopted as the method of valuation, the current market value of the site is S\$22,400,000. The residual method is used to estimate the value of the land, that is to be redeveloped and is based on the principle that the amount to be paid is equal to the difference between (i) the completed development value based on the highest and best use for the site and (ii) the total cost of all construction and building works required to carry out the development, including all ancillary costs such as transaction costs, professional fees, financing costs and an appropriate allowance for profit for the development. The valuation was commissioned by the Company.

2.4 Salient terms of the Option

Conditions Precedent

The Proposed Disposal is subject to and conditional upon, *inter alia*, the fulfilment and satisfaction of the following conditions (“**Conditions Precedent**”):

- (a) the passing of a resolution by the Shareholders of the Company approving the grant of the Option by the Company to the Purchaser and the sale of the Property to the Purchaser at a duly convened general meeting; and
- (b) the Purchaser’s solicitors receiving satisfactory replies to the legal requisitions as set out in the Option.

Completion

Completion of the Proposed Disposal herein shall take place no later than 29 June 2018, subject to Shareholders’ approval having been obtained by the Company (“**Completion**”).

Commission

The Company will pay a commission amounting to 1.5% of the Consideration to Raffles Developments Pte Ltd as agent (“**Commission**”), with such Commission being deducted from the Consideration upon the Completion of the Proposed Disposal. Raffles Developments Pte Ltd is an independent and unrelated third-party.

2.5 Rationale for the Proposed Disposal

The Company has recently acquired the Acquired Property, and such acquisition was part of the Company’s plan to (i) consolidate the operations of the Group to increase management’s oversight, operational efficiencies and interaction among the staff and (ii) convert the Acquired Property into the new regional headquarters of the Group’s operations.

Further, the Company is of the view that the Proposed Disposal will be in the best interest of the Company as it will enable the Group to realise the value of the Property and provide liquidity and cash capital for the Group, especially since the Property is a non-core asset of the Group.

2.6 Use of Proceeds

The Net Proceeds from the Proposed Disposal of approximately S\$26,200,000, after deducting related fees and expenses of approximately S\$800,000, will be utilised for working capital, business expansion and future investment opportunities.

Assuming that the Proposed Disposal was completed on 31 December 2017, the gain on the Proposed Disposal or the excess of the Net Proceeds over the book value of the Property as at 31 December 2017 would be approximately S\$22,000,000.

3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group and of the Company following the completion of the Proposed Disposal.

The financial effects of the Proposed Disposal on the NTA per Share and EPS are prepared based on the audited consolidated financial statements of the Group for FY2017, and are subject to the following assumptions:

- (a) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Disposal was completed on 31 December 2017;
- (b) the financial effect on the consolidated EPS is computed based on assumption that the Proposed Disposal was completed on 1 January 2017; and
- (c) the expenses in connection with the Proposed Disposal of amount approximating S\$800,000 have been included.

3.1 Financial effects of the Proposed Disposal on the consolidated NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA ⁽¹⁾ of the Group (S\$'000)	20,921	42,996
Number of Shares (excluding treasury shares) ('000)	108,480	108,480
NTA per Share (cents)	19.29	39.63

Note:

(1) NTA refers to total assets less the sum of total liabilities, non-controlling interests and intangible assets.

3.2 Financial effects on the Proposed Disposal on the consolidated EPS

	Before the Proposed Disposal	After the Proposed Disposal
Profits ⁽¹⁾ attributable to owners of the Company (S\$'000)	644	22,680
Weighted average number of Shares (excluding treasury shares) ('000)	108,480	108,480
EPS (cents)	0.59	20.91

Note:

(1) Profit refers to the loss or profit before income tax, non-controlling interests and extraordinary items.

4. REQUIREMENTS UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures of the Proposed Disposal computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules based on the audited consolidated financial statements of the Group for FY2017 are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	16.4 ⁽¹⁾
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits	Not applicable ⁽²⁾
(c)	The aggregate value of the Consideration, compared with the market capitalisation of the Company	311.1 ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue (excluding treasury shares)	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Based on the audited net book value of the Property as at 31 December 2017 of approximately S\$4,200,000, and the audited net asset value of the Group as at 31 December 2017 of approximately S\$25,400,000.
- (2) Rule 1006(b) of the Catalist Rules is not applicable as the Property is not a revenue-generating asset.
- (3) Based on the Consideration of S\$27,000,000 excluding GST and the Company's market capitalisation of approximately S\$8,700,000. The market capitalisation of the Company was computed based on the total issued share capital of the Company of 108,480,000 Shares and the volume weighted average price of S\$0.08 per Share on 1 February 2018 (being the last day on which the Shares were traded on the SGX-ST prior to the date of the issuance of the Option to the Purchaser).
- (4) Rule 1006(d) of the Catalist Rules is not applicable as this is a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the Proposed Disposal is a disposal of an asset in which the Consideration is more than 50% of the market capitalisation of the Company, in accordance with Rule 1014 read with Rule 1006(c) of the Catalist Rules, it is considered to be a "Major Transaction" as defined under Rule 1014 of the Catalist Rules. Accordingly, the Proposed Disposal shall be conditional upon, *inter alia*, the approval by the Shareholders at a general meeting.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the registers of Directors' interests in Shares and register of Substantial Shareholders' interests in Shares, respectively, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Loh Pui Lai ^{(a)(e)}	–	–	6,300,000	5.81
Loh Mun Yew ^{(a)(c)}	981,900	0.91	65,115,500	60.03
Leng Chee Keong	7,339,800	6.77	–	–
Hew Koon Chan	–	–	–	–
Mak Yen-Chen Andrew	–	–	–	–
Tan Hwee Kiong	–	–	–	–
Substantial Shareholders (other than Directors)				
Universal Pte. Ltd. ^{(a)(d)}	63,855,000	58.86	–	–
Estate of Loh Ah Peng @				
Loh Ee Ming ^{(a)(b)}	1,260,500	1.16	63,855,000	58.86
Cheung Wai Sum ^{(a)(e)}	6,300,000	5.81	–	–

Notes:

- (a) Loh Ah Peng @ Loh Ee Ming was the late father of Loh Mun Yew (the CEO and Executive Director of the Company) and Loh Pui Lai (the Non-Executive Chairman of the Company), and late father-in-law of Cheung Wai Sum. Loh Mun Yew and Loh Pui Lai are siblings and Loh Pui Lai is the wife of Cheung Wai Sum.
- (b) Estate of Loh Ah Peng @ Loh Ee Ming is deemed to have an interest in the 63,855,000 shares, held by Universal Pte. Ltd. by virtue of Section 7 of the Companies Act.
- (c) Loh Mun Yew is deemed to have an interest in the 63,855,000 shares, held by Universal Pte. Ltd. by virtue of Section 7 of the Companies Act, and the 1,260,500 shares held by the Estate of Loh Ah Peng @ Loh Ee Ming arising from his capacity as executor of his late father's will, by virtue of Section 7 of the Companies Act.
- (d) Universal Pte. Ltd. is an investment holding company incorporated in Singapore and its 63,855,000 shares in the Company are held through a nominee, UOB Kay Hian Private Limited. The shareholders are Estate of Loh Ah Peng @ Loh Ee Ming, Loh Mun Yew, Loh Pui Lai, Lum Soo Mooi (spouse of Loh Ah Peng @ Loh Ee Ming) and Loh Pui Pui (daughter of Loh Ah Peng @ Loh Ee Ming and Lum Soo Mooi, and sibling of Loh Mun Yew and Loh Pui Lai) with shareholding interest of 40.68%, 27.42%, 10.68%, 10.33% and 10.89% respectively. The directors of Universal Pte. Ltd. are Loh Mun Yew, Loh Pui Pui and Lum Soo Mooi.
- (e) Loh Pui Lai is deemed to have an interest in the 6,300,000 shares held by her husband, Cheung Wai Sum, by virtue of Section 164(15)(a) of the Companies Act.

Save as disclosed above, none of the Directors or Controlling Shareholders of the Company, or their respective associates, has any interests, direct or indirect, in the Proposed Disposal (other than through their shareholdings in the Company, if any).

6. DIRECTORS' SERVICE CONTRACTS

No person will be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

7. DIRECTORS' RECOMMENDATION

The Directors, having considered and reviewed the terms of the Option, the rationale for, the financial effects of the Proposed Disposal and all other relevant facts set out in this Circular, are collectively of the opinion that the Proposed Disposal is in the best interests of the Company and the Group, and accordingly recommend that Shareholders vote in favour of the Proposed Disposal at the EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 13 and 14 of this Circular, will be held at 112 Lavender Street, #02-01 Far East Refrigeration Building, Singapore 338728 on 27 April 2018 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 11.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification the Ordinary Resolution as set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM 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 EGM 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 112 Lavender Street, #04-00 Far East Refrigeration Building, Singapore 338728, not later than seventy-two (72) hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy if he finds that he is able to do so.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP pursuant to Division 7A of Part IV of the Act at least seventy-two (72) hours before the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 112 Lavender Street, #04-00 Far East Refrigeration Building, Singapore 338728 during normal business hours from the date of this Circular up to 23 June 2018, which is a date falling three (3) months from the date of the announcement in relation to the Proposed Disposal:

- (a) the annual report of the Company for FY2017;
- (b) the Constitution of the Company;
- (c) the Option; and
- (d) the Valuation Report.

Yours faithfully,
For and on behalf of the Board

Loh Mun Yew
Chief Executive Officer and Executive Director
12 April 2018

FAR EAST GROUP LIMITED

(Company Registration No.: 196400096C)

(Incorporated in the Republic of Singapore on 18 March 1964)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of **FAR EAST GROUP LIMITED** (the “**Company**”) will be held at 112 Lavender Street, #02-01 Far East Refrigeration Building, Singapore 338728 on 27 April 2018 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 11.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION: THE PROPOSED DISPOSAL

THAT:

- (a) approval be and is hereby given for the issuance of the conditional option to purchase agreement (“**Option**”) by the Company to Chang Hua Construction Pte Ltd and the sale of the property at 112 Lavender Street, Singapore 338728 for an aggregate consideration of S\$27,000,000 (exclusive of goods and services tax thereon, where applicable) (“**Proposed Disposal**”), upon the terms and conditions of the Option; and
- (b) the Directors of the Company be and are hereby authorised to do all acts and things (including, but not limited to, executing such documents as may be required) as such Director may, in their absolute discretion deem fit, advisable, expedient or necessary or in the interest of the Company, in connection with the subject matter of, or to give effect to the Proposed Disposal and this Ordinary Resolution.

By Order of the Board
Far East Group Limited

Loh Mun Yew
Chief Executive Officer and Executive Director
12 April 2018

Notes:

- (1) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the proxy form.
- (2) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, 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 in relation to which each proxy has been appointed shall be specified in the proxy form.
- (3) "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.
- (4) A proxy need not be a member of the Company.
- (5) If the member is a corporation, the instrument appointing the proxy must be under its common seal or the hand of an officer or attorney duly authorised.
- (6) The instrument appointing a proxy must be deposited at the Company's registered office at 112 Lavender Street, #04-00 Far East Refrigeration Building, Singapore 338728, not less than seventy-two (72) hours before the time appointed for holding the EGM.
- (7) In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data to 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (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.

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

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice. 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.

FAR EAST GROUP LIMITED
 (Company Registration Number 196400096C)
 (Incorporated in the Republic of Singapore)

Important:

1. For investors who have used their CPF/SRS monies to buy shares in the capital of Far East Group Limited, this Circular is forwarded to them at the request of their CPF/SRS Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

**PROXY FORM
 EXTRAORDINARY GENERAL MEETING**

I/We* _____ (Name) NRIC/Passport/Registration no.* _____
 of _____ (Address)
 being a member/members* of Far East Group Limited (the “**Company**”) hereby appoint:

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

and/or*

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

or failing him/her, the Chairman of the Extraordinary General Meeting (the “**EGM**”) of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held at 112 Lavender Street, #02-01 Far East Refrigeration Building, Singapore 338728 on 27 April 2018 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 11.00 a.m. on the same day and at the same place), and at any adjournment thereof, or the purpose of considering and, if thought fit, passing with or without amendments, the Ordinary Resolution.

Ordinary Resolution	Number of Votes For**	Number of Votes Against**
Approval for the issuance of the conditional option to purchase agreement and the sale of the property at 112 Lavender Street, Singapore 338728, on the terms and conditions of the conditional option to purchase agreement issued by the Company to Chang Hua Construction Pte Ltd		

* Delete accordingly.

** If you wish to exercise all your votes “For” or “Against”, please indicate an “X” within the box provided. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM.

Dated this _____ day of _____ 2018

Total Number of Shares Held

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

IMPORTANT: PLEASE READ 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 130A of the Companies Act, (Chapter 50) 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 registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such member appoints more than one (1) proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, 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 in relation to which each proxy has been appointed shall be specified in the proxy form.
4. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50) of Singapore.
5. A proxy need not be a member of the Company.
6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. This proxy form must be deposited at the Company's registered office at 112 Lavender Street, #04-00, Far East Refrigeration Building, Singapore 338728, not less than seventy-two (72) hours before the time set for the EGM.
8. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be duly stamped and deposited with this proxy form, failing which this proxy form shall be treated as invalid.
9. 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 EGM, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
10. Terms not defined herein shall have the meanings ascribed to them in the Company's Circular to the Shareholders dated 12 April 2018.

GENERAL

The Company shall be entitled to reject a proxy form which 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 proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 April 2018

