

**CIRCULAR DATED 8 APRIL 2014**

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

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

If you have sold or transferred all your ordinary shares (“**Shares**”) in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by 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 Extraordinary General Meeting and the accompanying Proxy Form 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.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Canaccord Genuity Singapore Pte. Ltd. (“**Sponsor**”), 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 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 of the Sponsor is Ms Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.



**Far East Group Limited**

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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

- (1) THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION; AND**
- (2) THE SCRIP DIVIDEND SCHEME**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	28 April 2014 at 11:00 a.m.
Date and time of Extraordinary General Meeting	:	30 April 2014 at 11:00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	112 Lavender Street #04-00 Far East Refrigeration Building Singapore 338728

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## DEFINITIONS

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For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

- “Articles” or “Articles of Association”** : The Articles of Association of our Company, as amended, supplemented or modified from time to time
- “Board” or “Board of Directors”** : The board of Directors of our Company as at the date of this Circular
- “Books Closure Date”** : With respect to a Qualifying Dividend, the date and time to be determined by the Directors on which the Register of Members and the transfer books of the Company will be closed for the purpose of determining the entitlements of Shareholders to that Qualifying Dividend
- “Catalist”** : The Catalist Board of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 8 April 2014
- “Companies Act”** : Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Company”** : Far East Group Limited
- “Directors”** : The directors of the Company for the time being, and **“Director”** means any one of them
- “Dividend”** : A dividend (including any interim, final, special or other dividend) to be paid on the issued ordinary shares of the Company as resolved or proposed by the Directors or by the Company in general meeting
- “EGM”** : The extraordinary general meeting of the Company to be held at 112 Lavender Street #04-00 Far East Refrigeration Building Singapore 338728 on 30 April 2014 at 11.00 a.m., notice of which is set out on page 27 of this Circular

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## DEFINITIONS

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<b>“Foreign Shareholders”</b>	:	Shareholders with registered addresses outside Singapore as at the relevant Books Closure Date for a Dividend and who have not provided to the Company or (as the case may be) CDP, not later than five (5) Market Days (or such other cut-off date as the Directors may determine) prior to the relevant Books Closure Date with addresses in Singapore for the service of notices and documents
<b>“Latest Practicable Date”</b>	:	1 April 2014, being the latest practicable date prior to the printing of this Circular
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Memorandum”</b>	:	The Memorandum of Association of our Company
<b>“New Shares”</b>	:	The new Shares which may be issued by the Company for the purposes of, in connection with or where contemplated by, the Scrip Dividend Scheme
<b>“Price Determination Period”</b>	:	The period commencing on the day on which the Shares are first quoted ex-dividend on the SGX-ST after the announcement of the relevant Qualifying Dividend and ending on the Books Closure Date in respect of such Qualifying Dividend, or such other period as the Directors may determine
<b>“Qualifying Dividend”</b>	:	A Dividend to which the Scrip Dividend Scheme applies, as determined by the Directors
<b>“Resolution(s)”</b>	:	The resolution(s) as set out in the Notice of EGM on page 27 of this Circular, and each a Resolution
<b>“Scrip Dividend Scheme”</b>	:	Far East Group Limited Scrip Dividend Scheme
<b>“Securities Account”</b>	:	Securities account maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
<b>“SGXNET”</b>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<b>“Shares”</b>	:	Ordinary shares in the share capital of the Company

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## DEFINITIONS

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<b>“Shareholders”</b>	:	Registered holders of our Shares in the Register of Members, or where CDP is the registered holder of Shares, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<b>“Substantial Shareholders”</b>	:	Has the same meaning ascribed to it in Sections 81(1) and 81(2) of the Companies Act
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers including all practice notes, rules and guidelines thereunder, as may be amended or modified from time to time
<b>“Unit Share Market”</b>	:	The unit share market of the SGX-ST which allows the trading of odd lots in quantities less than the board lot size
<b>“%” or “per cent”</b>	:	Percentage or per centum
<b>“S\$” and “Singapore cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of Singapore

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act. The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

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

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

Any discrepancies in the tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### Far East Group Limited

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

**Board of Directors:**

Mr Loh Ah Peng @ Loh Ee Ming (Non-executive Chairman)  
Mr Loh Mun Yew (Executive Director and  
Chief Executive Officer)  
Mr Leng Chee Keong (Chief Operating Officer  
(Sales and Marketing) and Executive Director)  
Mr Allan Ward (Chief Operating Officer  
(Engineering and Manufacturing) and Executive Director)  
Ms Loh Pui Lai (Non-executive Director)  
Mr Hew Koon Chan (Independent Director)  
Mr Mak Yen-Chen Andrew (Independent Director)  
Mr Tan Hwee Kiong (Independent Director)

**Registered Office:**

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

Date: 8 April 2014

**To: The Shareholders of Far East Group Limited**

Dear Sir/Madam,

**(1) THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION; AND**

**(2) THE SCRIP DIVIDEND SCHEME.**

**1. INTRODUCTION**

1.1 The Board of Directors proposes to convene an EGM to be held at 112 Lavender Street #04-00 Far East Refrigeration Building, Singapore 338728 on 30 April 2014 to seek the approval of Shareholders for the proposed amendment to the Articles of Association by the addition of Article 139(1) and for the authority to be granted to Directors to allot and issue new ordinary shares pursuant to the Scrip Dividend Scheme.

1.2 The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the Scrip Dividend Scheme and the proposed amendment to the Articles of Association by the addition of Article 139(1). The Notice of the EGM is set out on page 27 of this Circular.

**2. THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION BY THE ADDITION OF ARTICLE 139(1)**

2.1 The Company proposes to adopt the Scrip Dividend Scheme, details of which are set out in paragraph 3 below. To facilitate the implementation of the Scrip Dividend Scheme by the Directors, a new Article 139(1) is proposed to be inserted in the Articles of Association, to enable Shareholders to elect to receive New Shares credited as fully paid *in lieu* of part only or all of the whole cash amount of a Qualifying Dividend in accordance with the Scrip Dividend Scheme of the Company.

2.2 The text of the new Article 139(1) is set out in Appendix A of this Circular. The proposed addition of Article 139(1) to the Articles of Association is subject to Shareholders' approval by Special Resolution.

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## LETTER TO SHAREHOLDERS

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### 3. THE SCRIP DIVIDEND SCHEME

#### 3.1 Introduction

The Scrip Dividend Scheme Statement is set out in Appendix B of this Circular.

The issue of New Shares under the Scrip Dividend Scheme will be subject to Shareholders' approval by ordinary resolution, pursuant to Section 161 of the Companies Act at the EGM. Accordingly, Shareholders should note that the ordinary resolution which relates to the issue of New Shares pursuant to the Scrip Dividend Scheme is conditional upon the passing of the special resolution, which relates to the proposed amendment to the Articles.

While there is no requirement under the Catalist Rules for Shareholders' approval for the implementation of the Scrip Dividend Scheme, pursuant to Rule 861(1) of the Catalist Rules, an issuer must make an announcement if it wishes to implement a scrip dividend scheme which enables shareholders to elect to receive shares *in lieu* of cash. The Company has made the relevant announcement on the SGXNET on 25 March 2014.

#### 3.2 Rationale and Purpose

The Scrip Dividend Scheme, if and when adopted, will provide Shareholders with greater flexibility in meeting their investment objectives as it would give them the choice of receiving Dividends in the form of New Shares (credited as fully paid-up) and/or cash. This will also enable Shareholders to participate in the equity capital of the Company without having to incur costs such as brokerage fees, stamp duties and/or other related costs.

The Company will also benefit from the participation by Shareholders in the Scrip Dividend Scheme as, to the extent that Shareholders elect to receive Dividends in the form of New Shares, the cash which would otherwise be payable in respect of a cash Dividend may be retained in the Company to strengthen its working capital position and/or be used to fund the growth and expansion of the Company.

#### 3.3 Election to Receive Dividends in the Form of Shares *in Lieu* of Cash

Under the Scrip Dividend Scheme, whenever a Dividend has been declared and the Directors have determined that the Scrip Dividend Scheme is applicable to the Dividend, each Shareholder has the following options in respect of his entitlement to the Dividend:

- (a) elect to receive his entitlement to the Dividend in cash;
- (b) elect for an allotment of New Shares (credited as fully paid-up) *in lieu* of the cash amount of his entitlement to the Dividend; or
- (c) elect to receive a portion of his entitlement to the Dividend in cash and the balance in the form of New Shares (credited as fully paid-up).

An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the Market Day immediately following the Books Closure Date for such Dividend. Shareholders may only participate in respect of their shareholdings as at the relevant Books Closure Date for a Qualifying Dividend.



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## LETTER TO SHAREHOLDERS

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The Company will, at its discretion, send to a Shareholder one or more notices of election (each, a “**Notice of Election**”) in relation to all the Shares held by him. A Shareholder may elect to receive New Shares in respect of part only or all of his entitlement to the Qualifying Dividend to which each Notice of Election relates.

A Shareholder may also make a permanent election to receive New Shares in respect of his entitlement to all future Qualifying Dividends to which each Notice of Election relates. For the avoidance of doubt, a Shareholder may not make a permanent election to participate in respect of part only of his holdings of Shares to which each Notice of Election relates for all future Qualifying Dividends. Once a permanent election has been made, the participating Shareholder may, by giving the appropriate notice, cancel his participation and withdraw from the Scrip Dividend Scheme at any time. The cancellation of a permanent election by a Shareholder would not preclude him from making a fresh permanent election, should he wish to do so, at a later time.

A Shareholder receiving two or more Notices of Election may elect to receive New Shares in respect of part only or all of his entitlement to which one Notice of Election relates and decline to receive New Shares in respect of his entitlement to which any other Notice of Election relates. A Shareholder receiving two or more Notices of Election and wishing to receive New Shares in respect of all of his entitlements to the Qualifying Dividend in respect of all of his holding of Shares must complete all Notices of Election to the Company and/or CDP, as the case may be. A Shareholder will receive his entitlement to any Qualifying Dividend in cash if his Notice of Election is not received or if he does not elect to participate in the Scrip Dividend Scheme. Shareholders need not take any action if they wish to receive their entitlement to the Qualifying Dividend in cash.

### 3.4 **New Shares Allotted under the Scrip Dividend Scheme**

For the purpose of calculating the number of New Shares to be allotted to the Shareholders, the issue price of a New Share shall not be set at more than 10% discount (or such other discount as may be permitted by the Catalist Rules) to, nor shall it exceed the average of the last dealt prices of a Share on Catalist for each of the Market Days during the Price Determination Period. In the event that there is no trading in the Shares during the Price Determination Period, the issue price of a New Share shall not exceed the average of the last dealt prices of a Share on Catalist for each of the three (3) Market Days where there were trades of the Shares on Catalist immediately preceding the Price Determination Period.

Accordingly, where the Directors have resolved that the Scrip Dividend Scheme applies to a particular Dividend, it will not be possible until after the close of business on the relevant Dividend Books Closure Date to determine the exact number of New Shares to which Shareholders electing to receive New Shares will be entitled. An announcement will be made setting out the issue price of a New Share to be used in the calculation of Shareholders’ entitlements to the New Shares in respect of such Dividend. Notices of Election will be sent to Shareholders after the Books Closure Date. A further announcement will be made on the last day (which will be a date fixed by the Directors) on which Shareholders will be entitled to make their election of the above alternatives, in respect of such Qualifying Dividend.

The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing Shares then in issue save only as regards to participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distribution, bonuses or

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## LETTER TO SHAREHOLDERS

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rights paid, made, declared or announced prior to, or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

### 3.5 Fractional Entitlements

Fractional entitlements to the New Shares will be rounded down to the nearest whole number or otherwise dealt with in such manner as the Directors may deem fit in the interests of the Company and as may be acceptable to the SGX-ST.

### 3.6 Odd Lots

The Company's Shares are currently traded in board lots of 1,000 shares. A Shareholder who elects to receive New Shares *in lieu* of the cash amount of the Qualifying Dividend may receive such New Shares in odd lots. Shareholders who receive odd lots of New Shares and who wish to trade such odd lots on Catalist should do so on the Unit Share Market, which allows trading of odd lots with a minimum of one (1) share.

### 3.7 Availability of the Scrip Dividend Scheme

Notwithstanding a determination by the Directors that the Scrip Dividend Scheme shall apply to any Dividend, if before the allotment and issue of New Shares in respect of such Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of such Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interests of the Company and without assigning any reason thereof, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event, the Dividend shall be paid in cash to Shareholders in the ordinary manner.

### 3.8 Eligibility

All Shareholders including Directors, Substantial Shareholders and other interested persons of the Company who hold Shares, are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Foreign Shareholders (as elaborated in Section 3.9 of this Circular) and except that participation in the Scrip Dividend Scheme shall not be available to such Shareholders or class of Shareholders, as the Directors may in their discretion determine, and further subject to the requirement that such participation by a Shareholder will not result in a breach of any other restriction on such Shareholder's holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or prescribed in the Memorandum or the Articles of Association.

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## LETTER TO SHAREHOLDERS

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### 3.9 Foreign Shareholders

The offer of the Scrip Dividend Scheme may be prohibited or restricted (either absolutely or unless various requirements are complied with) in certain jurisdictions under the relevant securities laws.

For practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Shareholders may have their registered addresses, the Scrip Dividend Scheme may, at the discretion of the Directors, not be offered to Foreign Shareholders. No Foreign Shareholders shall have any claims whatsoever against the Company, the Company's Share Registrar, CDP, or their respective agents, as a result of the Scrip Dividend Scheme not being offered or made available to such Foreign Shareholders. Foreign Shareholders who wish to be eligible to participate in the Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying the Company at 112 Lavender Street #04-00, Far East Refrigeration Building, Singapore 338728 or, if the Foreign Shareholder is a Depositor, the CDP, at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 or with effect from 14 April 2014 onwards, at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 (or any such address as may be announced by the Company from time to time) not later than five (5) Market Days prior to the Books Closure Date. Shareholders should note that all correspondence and notices will be sent to their last registered address with the Company or CDP, as the case may be.

### 3.10 Take-Over implications

The attention of Shareholders is drawn to the Take-over Code. In particular, a Shareholder should note that pursuant to Rule 14 of the Take-over Code, he may be under an obligation to extend a mandatory offer for the Company, if:

- (a) he acquires, by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) he, together with persons acting in concert with him holds not less than 30% but not more than 50% of the voting rights of the Company and he, or any person acting in concert with him, acquires in any period of six (6) months, additional Shares carrying more than 1% of the voting rights of the Company by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend.

**The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a mandatory offer under, the Take-over Code as a result of any acquisition of Shares through their participation in the Scrip Dividend Scheme are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.**

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## LETTER TO SHAREHOLDERS

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### 3.11 Listing on the SGX-ST

The Company shall make the necessary application(s) for the listing and quotation of the New Shares to be issued for the purposes of, in connection with or where contemplated by the Scrip Dividend Scheme. Any approval in-principle granted by the SGX-ST for the listing of such New Shares is not to be taken as an indication of the merits of the Scrip Dividend Scheme, the New Shares, the Company, its subsidiaries and their securities.

### 3.12 Taxation

The Company takes no responsibility for the taxation liabilities of Shareholders who choose to participate in the Scrip Dividend Scheme or the tax consequences of any election made by Shareholders. As individual circumstances and laws may vary considerably, specific tax advice should be obtained by Shareholders if they are in doubt or if they otherwise require. The Company accepts no responsibility for the correctness or accuracy of any information as to tax liability contained in the Scrip Dividend Scheme Statement set out in Appendix B of this Circular.

As a general indication, however, it is understood that as at the date of this Circular, under taxation legislation in Singapore, a Shareholder's Singapore tax liability in relation to the Dividends received will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

### 3.13 Modification and Termination of the Scrip Dividend Scheme

The Scrip Dividend Scheme may be modified or terminated by the Directors as they deem fit upon giving notice in writing to all Shareholders, except that no material modifications shall be made without the prior approval of the SGX-ST.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Shareholder who has made a permanent election under the Scrip Dividend Scheme unless and until the Company, or as the case may be, CDP (where the Shareholder is a Depositor) receives a notice of cancellation in respect of a Notice of Election submitted by the Shareholder or his permanent election otherwise ceases to have effect as provided in paragraph 4.13 of the Scrip Dividend Scheme Statement set out in Appendix B of this Circular.

### 3.14 General

In connection with the proposed issue of New Shares *in lieu* of a cash Dividend, the Directors consider it appropriate to obtain the approval of Shareholders for the allotment and issue of such number of New Shares as may be required to be issued pursuant to the election by Shareholders under the Scrip Dividend Scheme.

### 3.15 Shareholders' Approval

The allotment issue of New Shares pursuant to the Scrip Dividend Scheme are subject to Shareholders' approval and the authority to allot and issue New Shares pursuant thereto will be proposed as an ordinary resolution at the EGM pursuant to Section 161 of the Companies Act.

## LETTER TO SHAREHOLDERS

### 4. INTERESTS OF THE DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders' in the Shares as at the Latest Practicable Date, based on the Company's register of interest of Directors and register of Substantial Shareholders respectively, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<b>Directors</b>				
Loh Ah Peng @ Loh Ee Ming <sup>(1), (2)</sup>	760,500	0.70	63,855,000	58.86
Loh Mun Yew <sup>(1), (3)</sup>	981,900	0.91	63,855,000	58.86
Leng Chee Keong	6,224,800	5.74	–	–
Allan Ward	705,000	0.65	–	–
Loh Pui Lai <sup>(1), (5)</sup>	–	–	6,300,000	5.81
Hew Koon Chan	–	–	–	–
Andrew Mak Yen-Chen	–	–	–	–
Tan Hwee Kiong	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
Universal Pte. Ltd. <sup>(4)</sup>	63,855,000	58.86	–	–
Cheung Wai Sum <sup>(5)</sup>	6,300,000	5.81	–	–

**Notes:–**

- (1) Loh Ah Peng @ Loh Ee Ming (the Non-Executive Chairman of the Company) is the father of Loh Mun Yew (the CEO and Executive Director of the Company) and Loh Pui Lai (the Non-Executive Director of the Company), and father-in-law of Cheung Wai Sum. Loh Mun Yew and Loh Pui Lai are siblings. Loh Pui Lai is the wife of Cheung Wai Sum.
- (2) 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.
- (3) 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.
- (4) Universal Pte. Ltd. is an investment holding company incorporated in Singapore and the shareholders are 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 interests of 40.68%, 27.42%, 10.68%, 10.33% and 10.89% respectively. The directors of Universal Pte. Ltd. are Loh Ah Peng @ Loh Ee Ming, Loh Mun Yew, Loh Pui Pui and Lum Soo Mooi.
- (5) 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.

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## LETTER TO SHAREHOLDERS

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### 5. DIRECTORS' RECOMMENDATION

#### 5.1 The Proposed Amendment to the Articles of Association by the Addition of Article 139 (1)

The Directors are of the opinion that the proposed amendment to the Articles of Association by the proposed addition of Article 139(1) so as to facilitate the adoption and implementation of the Scrip Dividend Scheme is in the best interests of the Company. Accordingly, the Board recommends that Shareholders vote in favour of the special resolution relating to the proposed amendment to the Articles of Association by the proposed addition of Article 139(1) as set out in the Notice of EGM on page 27 of this Circular.

#### 5.2 The Scrip Dividend Scheme

The Directors are of the opinion that the proposed authority to be given to Directors to issue New Shares pursuant to the Scrip Dividend Scheme is in the best interests of the Company. Accordingly, the Board recommends that Shareholders vote in favour of the ordinary resolution relating to the proposed authority to be given to Directors to issue New Shares pursuant to the Scrip Dividend Scheme as set out in the Notice of EGM on page 27 of this Circular.

### 6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 27 of this Circular will be held at 112 Lavender Street #04-00 Far East Refrigeration Building Singapore 338728 on Wednesday, 30 April 2014 at 11:00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing the resolutions (with or without any modification) set out in the Notice of EGM.

Shareholders should note that the ordinary resolution, which relates to the proposed issue of New Shares pursuant to the Scrip Dividend Scheme, is conditional upon the passing of the special resolution, which relates to the proposed amendments to the Articles.

### 7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 112 Lavender Street #04-00 Far East Refrigeration Building Singapore 338728 not less than 48 hours before the time fixed for the EGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes, in place of his proxy, although the appointment of the proxy shall be deemed to be revoked by such attendance.

7.2 A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at 48 hours before the EGM.

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## LETTER TO SHAREHOLDERS

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### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given 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 (i) proposed amendment to the Articles of Association and (ii) Scrip Dividend Scheme, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this 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 this Circular in its proper form and context.

### 9. DOCUMENTS 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 and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report of the Company for the financial year ended 31 December 2013;

For and on behalf of the Board of Directors

**Loh Mun Yew**

Chief Executive Officer and Executive Director



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## APPENDIX A: THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION BY THE ADDITION OF ARTICLE 139(1)

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The proposed new Article 139(1) to be added to our Articles of Association is set out below:

- 139(1) (A) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid *in lieu* of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:
- (i) the basis of any such allotment shall be determined by the Directors;
  - (ii) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid *in lieu* of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;
  - (iii) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of the election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
  - (iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "Elected Ordinary Shares") and *in lieu* and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the Elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose (notwithstanding any provision of the Articles to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (a) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis, or (b) apply the sum which would otherwise have been payable in cash to the holders of Elected Ordinary Shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the Elected Ordinary Shares on such basis.



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## APPENDIX A: THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION BY THE ADDITION OF ARTICLE 139(1)

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- (B) (i) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article 139(1) shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards to participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (ii) The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (A) of this Article 139(1), with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members) and to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article 139(1), determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Article 139(1) shall be read and construed subject to such determination.
- (D) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article 139(1), further determine that no allotment of ordinary shares or rights of election for ordinary shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlements of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (E) Notwithstanding the foregoing provisions of this Article 139(1), if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article 139(1) in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (A) of this Article 139(1).

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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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### FAR EAST GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 196400096C)

(the “**Company**”)

#### 1. SCRIP DIVIDEND SCHEME STATEMENT

This Scrip Dividend Scheme Statement (the “**Statement**”) contains the terms and conditions of the Far East Group Limited Scrip Dividend Scheme (the “**Scrip Dividend Scheme**”) under which persons registered in the Register of Members of Far East Group Limited (the “**Company**”) or, as the case may be, the Depository Register (as defined below), as the holders of fully paid ordinary shares in the Company (the “**Shareholders**”) may elect to receive new, fully paid ordinary shares in the capital of the Company (the “**New Shares**”) *in lieu* of the cash amount of any dividend (including any interim, final, special or other dividend) which is declared on the Shares held by them (after the deduction of applicable income tax).

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made in this Statement.

#### 2. SUMMARY OF THE MAIN FEATURES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme provides Shareholders with the option to elect to receive New Shares *in lieu* of the cash amount of any dividend (including any interim, final, special or other dividend) (the “**Dividend**”) declared on their holding of Shares (after the deduction of applicable income tax).

All Shareholders are eligible to participate in the Scrip Dividend Scheme subject to the restrictions on Foreign Shareholders (as defined below), more particularly described below and except for such other Shareholders or class of Shareholders as the directors of the Company (the “**Directors**”) may in their absolute discretion decide.

Shareholders may elect to participate in respect of part only or all of their holding of Shares to which each Notice of Election (as defined below) relates in respect of any Qualifying Dividend (as defined below) and may also make a permanent election to participate in respect of all of their holding of Shares for all future Qualifying Dividends. For the avoidance of doubt, a Shareholder may not make a permanent election to participate in respect of part only of his holdings of Shares to which each Notice of Election relates to all future Qualifying Dividends. Shareholders receiving more than one Notice of Election may elect to participate in respect of their holding of Shares to which one Notice of Election relates and elect not to participate in respect of their holding of Shares to which any other Notice of Election relates. Where a permanent election has been made, participating Shareholders may cancel their participation and withdraw from the Scrip Dividend Scheme at any time, subject to giving appropriate notice in accordance with paragraph 4.13 of this Statement. However, the cancellation of a permanent election by a Shareholder would not preclude him from making a fresh permanent election, should he wish to do so at a later date.

The Directors may, in their absolute discretion, determine that the Scrip Dividend Scheme will apply to any particular Dividend. An announcement will be made by the Company as soon as practicable following the determination by the Directors that the Scrip Dividend Scheme is to apply to a particular Dividend, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined

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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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below) in respect of that particular Dividend. Unless the Directors have determined that the Scrip Dividend Scheme will apply to any particular Dividend, the Dividend concerned will be paid in cash to the Shareholders in the usual manner.

New Shares allotted and issued under the Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Shareholders participating in the Scrip Dividend Scheme will receive, at or about each Dividend payment date, statements setting out, *inter alia*, the number of Shares allotted to them under the Scrip Dividend Scheme.

### 3. HOW TO PARTICIPATE

Participation in the Scrip Dividend Scheme is optional.

A Shareholder wishing to receive New Shares in respect of all or part of any Qualifying Dividend or to make a permanent election to receive New Shares in respect of all (and not part only) of the Qualifying Dividend to which a Notice of Election relates and all future Qualifying Dividends should complete such Notice of Election and return it to the Company at the address indicated on the Notice of Election or, if the Shareholder is a Depositor (as defined below), through CDP (as defined below). A Shareholder receiving more than one Notice of Election and wishing to receive New Shares in respect of part only or all of his entitlement to the Qualifying Dividend in respect of his holding of Shares or to make a permanent election to receive New Shares in respect of the Qualifying Dividend and all future Qualifying Dividends must complete all Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be.

To be effective in respect of any Qualifying Dividend to which a Notice of Election relates, such duly completed Notice of Election must be received by the Company or (as the case may be) CDP no later than the date to be specified by the Directors in respect of that Qualifying Dividend.

### 4. TERMS AND CONDITIONS OF THE SCRIP DIVIDEND SCHEME

#### 4.1 Establishment

The Scrip Dividend Scheme has been established by the Directors.

#### 4.2 Terms and Conditions

The following are the terms and conditions (“**Terms and Conditions**”) of the Scrip Dividend Scheme.

In these Terms and Conditions,

“**Catalist**” shall mean the Catalist Board of the SGX-ST.

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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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“**Companies Act**” shall mean the Companies Act (Chapter 50), of Singapore, as may be amended, modified or supplemented from time to time;

“**Books Closure Date**” shall mean the date and time to be determined by the Directors on which the transfer books and Register of Members of the Company will be closed for the purpose of determining the entitlements of Shareholders to a Dividend;

“**CDP**” shall mean The Central Depository (Pte) Limited or any successor entity thereto; “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in the Companies Act;

“**Foreign Shareholders**” shall mean Shareholders with registered mailing addresses outside Singapore and who have not provided to the Company or (as the case may be) CDP, not later than five (5) Market Days (or such other cut-off date as the Directors may determine) prior to the Books Closure Date, addresses in Singapore for the service of notices and documents;

“**Listing Manual**” shall mean the Listing Manual of the SGX-ST and in particular the Listing Manual, Section B: Rules of Catalist of the SGX-ST, as may be amended, modified or supplemented from time to time;

“**Market Day**” shall mean a day on which the SGX-ST is open for trading in securities;

“**Qualifying Dividend**” shall mean any Dividend to which the Scrip Dividend Scheme applies (as determined by the Directors and as provided below);

“**SGX-ST**” shall mean Singapore Exchange Securities Trading Limited or any successor entity thereto;

“**Shares**” shall mean ordinary shares in the capital of the Company;

“**Takeover Code**” shall mean The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time;

“**S\$**” shall mean the lawful currency of the Republic of Singapore; and

“**%**” or “**per cent**” shall mean percentage or per centum.

### 4.3 Eligibility

All Shareholders are eligible to participate in the Scrip Dividend Scheme, subject to the restrictions on Foreign Shareholders, more particularly described in paragraph 4.4 below and except that participation in the Scrip Dividend Scheme shall not be available to such Shareholders or class of Shareholders, as the Directors may in their discretion determine, and further subject to the requirement that such participation by the Shareholder will not result in a breach of any other restriction on such Shareholder’s holding of Shares which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Articles of Association of the Company.

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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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### 4.4 Foreign Shareholders

For practical reasons and to avoid any violation of the securities laws applicable outside Singapore where Shareholders may have their registered addresses, the Directors may in their absolute discretion decide that Foreign Shareholders shall not be eligible to participate in the Scrip Dividend Scheme. No Foreign Shareholder shall have any claims whatsoever against the Company, the Company's Share Registrar, CDP or any of their respective agents as a result of the Scrip Dividend Scheme not being offered to such Foreign Shareholders. Where the Scrip Dividend Scheme is not offered to Foreign Shareholders, Foreign Shareholders who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the Scrip Dividend Scheme as may be applicable to them. Foreign Shareholders who wish to be eligible to participate in the Scrip Dividend Scheme should provide an address in Singapore for the service of notices and documents by notifying the Company at 112 Lavender Street #04-00 Far East Refrigeration Building Singapore 338728 (or such other address as may be announced by the Company from time to time), or, if the Foreign Shareholder is a Depositor, CDP, at 4 Shenton Way #02-01, SGX Centre 2, Singapore 068807 or with effect from 14 April 2014 onwards, at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 (or such other address as may be announced by the Company from time to time) not later than five (5) Market Days (or such other cut-off date as the Directors may determine) prior to the Books Closure Date.

Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

### 4.5 Level of Participation

A Shareholder may elect to participate in the Scrip Dividend Scheme (the "**Participating Shareholder**") in respect of part only or all of his holding of Shares as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Dividend (the "**Participating Shares**").

### 4.6 Permanent Election

Any permanent election to participate in the Scrip Dividend Scheme is personal to the Participating Shareholder. A Shareholder may make a permanent election in the manner set out below for participation in respect of all (and not part only) of his future Qualifying Dividends, and where a permanent election in respect of all his holding of Shares to which a Notice of Election relates has been made, unless and until a notice of cancellation in such form as the Directors may approve (the "**Notice of Cancellation**"), in relation to such Notice of Election is received by the Company or (as the case may be) CDP as provided below, the permanent election shall be effective for all future Qualifying Dividends in respect of such Notice of Election. A notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by the Company or (as the case may be) CDP.

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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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### 4.7 Notice of Election to Participate

The Company will, at its discretion, send to each Shareholder one or more notices of election in such form as the Directors may approve (the “**Notice of Election**”), unless a permanent election to participate in the Scrip Dividend Scheme has already been made. To be effective in respect of any Qualifying Dividend (unless a permanent election has already been made), a Notice of Election must be received by the Company or, in the case of a Notice of Election being submitted by a Shareholder who is a Depositor, by CDP, by the date to be specified by the Directors in respect of that Qualifying Dividend.

A Shareholder receiving two (2) or more Notices of Election and wishing to receive New Shares in respect of all of his entitlement to the Qualifying Dividend in respect of all his holding of Shares must complete all the Notices of Election received by him and return the completed Notices of Election to the Company and/or CDP, as the case may be. A notice of election to participate in the Scrip Dividend Scheme in any other form will not be accepted by the Company or (as the case may be) CDP.

If a Notice of Election in relation to a permanent election is received after the date specified by the Directors for any particular Qualifying Dividend, the Notice of Election will not, unless otherwise determined by the Directors, be effective for that Qualifying Dividend or for any future Qualifying Dividends in respect of such Notice of Election. A Notice of Election (other than in relation to a permanent election) in respect of any Qualifying Dividend shall not, upon its receipt by the Company or (as the case may be) CDP, be withdrawn or cancelled.

A permanent election made in the Notice of Election will remain in force until cancelled in the manner provided below or until it becomes ineffective as provided in these Terms and Conditions. A Shareholder receiving more than one (1) Notice of Election and wishing to make a permanent election in respect of all his holding of Shares must complete all Notices of Election received by him and return the Notices of Election to the Company and/or CDP, as the case may be.

### 4.8 Extent of Application of Scrip Dividend Scheme to each Dividend

The Directors may, in their absolute discretion, in respect of any Dividend, determine whether the Scrip Dividend Scheme shall apply to such Dividend. If, in their absolute discretion, the Directors have not determined that the Scrip Dividend Scheme is to apply to a particular Dividend, such Dividend shall be paid in cash to Shareholders notwithstanding their permanent elections previously made under the Scrip Dividend Scheme.

### 4.9 Share Entitlement

By electing to participate in the Scrip Dividend Scheme in respect of any Notice of Election received by him, a Shareholder elects in respect of any Qualifying Dividend (after the deduction of applicable income tax) to which such Notice of Election relates to receive New Shares *in lieu* of the cash amount of the Qualifying Dividend.



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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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In respect of any Qualifying Dividend, the number of New Shares to be allotted and issued to the Participating Shareholder electing to receive New Shares in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{S \times D}{V}$$

Where:

- “**N**” = the number of New Shares to be allotted and issued as fully paid to the Participating Shareholder in respect of such Notice of Election.
- “**S**” = the number of Participating Shares held by the Participating Shareholder as at the Books Closure Date for which such Notice of Election relates.
- “**D**” = the amount of the Qualifying Dividend (after deduction of applicable income tax) to which such Notice of Election relates expressed in Singapore Dollars and fractions thereof per Share.
- “**V**” = the issue price of a Share, which shall for the purpose of calculating the number of New Shares to be allotted and issued as fully paid to Participating Shareholders, pursuant to the Scrip Dividend Scheme, be an amount in Singapore Dollars determined by the Directors (the “**Relevant Amount**”), which Relevant Amount shall not be set at more than 10% discount (or such other discount as may be permitted by the Listing Manual) to, nor shall it exceed, the average of the last dealt prices of a Share on the Catalist for each of the Market Days during the period commencing on the day on which the Shares are first quoted ex-dividend on the Catalist after the announcement of the Qualifying Dividend and ending on the Books Closure Date (“**Price Determination Period**”). In the event that there is no trading in the Shares during the Price Determination Period, the Relevant Amount shall not exceed the average of the last dealt prices of a Share on the Catalist for each of the three (3) Market Days where there were trades of the Shares on the Catalist immediately preceding the Price Determination Period.

The Directors shall have full power to make such provisions as they think fit where the number of New Shares calculated in accordance with the above formula becomes attributable in fractions, including provisions whereby fractional entitlements are rounded down to the nearest whole number or otherwise dealt with in such manner as they may deem fit in the interests of the Company and which is/are acceptable to the SGX-ST.

### 4.10 Terms of Allotment

All New Shares allotted under the Scrip Dividend Scheme will be allotted as fully paid.

All such New Shares shall rank *pari passu* in all respects with all existing Shares then in issue save only as regards participation in the Qualifying Dividend which is the subject of the election (including the right to make any election pursuant to the Scrip Dividend

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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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Scheme) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Dividend which is the subject of the election, unless the Directors shall otherwise specify.

Participating Shareholders who are Depositors and who have submitted the Notice of Election through CDP will have the New Shares credited to their CDP accounts. In other cases, certificates for the New Shares will be despatched to Shareholders, at their own risk, to their registered addresses in Singapore by ordinary post.

### 4.11 Statement to Participating Shareholders

The Company will send to each Participating Shareholder on or about each payment date for the Dividend which shall be a date not less than thirty (30) Market Days but not more than thirty-five (35) Market Days after the Books Closure Date for that Dividend, or such other period as the Directors may decide, a statement detailing, inter alia:

- (a) the number of the Participating Shares held by the Participating Shareholder as at the relevant Books Closure Date; and
- (b) the number of New Shares to be allotted to the Participating Shareholder under the Scrip Dividend Scheme.

### 4.12 Cost to Participating Shareholders

Under present law in Singapore, brokerage or other transaction costs and Singapore stamp duty will not be payable by Participating Shareholders on New Shares allotted under the Scrip Dividend Scheme.

### 4.13 Cancellation of Participation

A Participating Shareholder or an Authorised Representative (as defined below) may at any time cancel his permanent election to participate in the Scrip Dividend Scheme in relation to any Notice of Election by completing and returning to the Company or (as the case may be) CDP, a Notice of Cancellation in such form as the Directors may approve (a notice of cancellation of participation in the Scrip Dividend Scheme in any other form will not be accepted by the Company, or as the case may be, CDP) in relation to such Notice of Election. To be effective in respect of any Qualifying Dividend, the Notice of Cancellation must be received by the Company or (as the case may be) CDP by the date to be specified by the Directors for that Qualifying Dividend, failing which the Notice of Cancellation will not be effective for that Qualifying Dividend but will be effective for all future Qualifying Dividends in respect of such Notice of Election.

If a Participating Shareholder gives notice to the Company or, if the Participating Shareholder is a Depositor, to CDP, of a change of his registered address for the service of notices and documents from an address within Singapore to an address outside Singapore, he shall thereupon be considered a Foreign Shareholder. Any permanent election to participate in the Scrip Dividend Scheme by such Participating Shareholder shall be deemed to have been cancelled by him upon receipt by the Company or, as the case may be, CDP of such change of address notification.



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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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If a Participating Shareholder, who is an individual, dies, any permanent election to participate in the Scrip Dividend Scheme by that Participating Shareholder will cease upon receipt by the Company or, if the Shareholder is a Depositor, by CDP, *inter alia*, of a Notice of Cancellation and a notice of the death acceptable to the Company or, as the case may be, CDP or at such later date as the Directors in their discretion, upon request from the personal representative(s) of the deceased Participating Shareholder, may determine. If the personal representative(s) of the deceased member wish(es) to participate in the Scrip Dividend Scheme in respect of any Qualifying Dividend or in respect of all future Qualifying Dividends in relation to the Shares forming part of the estate of the deceased member, the relevant Notices of Election (together with such evidence as may reasonably be required by the Company or CDP, as the case may be, to prove the authority of such personal representative(s)) must be submitted by such personal representative(s) in accordance with these Terms and Conditions.

If a Participating Shareholder becomes bankrupt or, in the case where the Participating Shareholder is a company, is wound up, any permanent election to participate in the Scrip Dividend Scheme by that Shareholder will cease upon receipt by the Company or, if the Shareholder is a Depositor, by CDP, *inter alia*, of a Notice of Cancellation and a notice of the bankruptcy or, as the case may be, the winding up.

#### 4.14 Cancellation of Application of the Scrip Dividend Scheme

Notwithstanding any provision in these Terms and Conditions, if at any time after the Directors have determined that the Scrip Dividend Scheme shall apply to any particular Dividend and before the allotment and issue of New Shares in respect of the Dividend, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the Scrip Dividend Scheme in respect of the Dividend, the Directors may, at their absolute discretion and as they may deem fit in the interest of the Company and without assigning any reason thereof, cancel the application of the Scrip Dividend Scheme to the Dividend. In such event, the Dividend shall be paid in cash to Shareholders in the usual manner.

#### 4.15 Modification and Termination of the Scrip Dividend Scheme

The Scrip Dividend Scheme may be modified or terminated at any time by the Directors as they deem fit on giving notice in writing to all Shareholders, except that no modification shall be made without the prior approval of the SGX-ST.

In the case of a modification, the Scrip Dividend Scheme will continue as modified in relation to each Shareholder who has made a permanent election under the Scrip Dividend Scheme unless and until the Company or, if the Shareholder is a Depositor, CDP, receives from the Participating Shareholder a Notice of Cancellation in respect of a Notice of Election submitted by such Participating Shareholder, from the Participating Shareholder or his permanent election otherwise ceases to have effect in accordance with these Terms and Conditions.

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## **APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT**

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### **4.16 General Administration of the Scrip Dividend Scheme**

The Directors may implement the Scrip Dividend Scheme in the manner they deem fit. The Directors have the power to:

- (a) determine procedures, rules and regulations for administration of the Scrip Dividend Scheme consistent with these Terms and Conditions;
- (b) settle in such manner as they think fit any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Scrip Dividend Scheme) which may arise in connection with the Scrip Dividend Scheme, whether gradually or in relation to any Participating Shareholder of any Share and the determination of the Directors will be conclusive and binding on all Shareholders and other persons to whom the determination relates;
- (c) delegate to any one or more persons, for such period and on such conditions as the Directors may determine, the exercise of any of their powers or discretions under or in respect of the Scrip Dividend Scheme and references to a decision, opinion or determination of the person or persons to whom the Directors have delegated their authority for the purposes of administering the Scrip Dividend Scheme; and
- (d) waive strict compliance by the Company or any Shareholder with any of these Terms and Conditions unless such waiver results or gives rise or may result or may give rise to breach of any statute, law or regulation in force in Singapore or any other relevant jurisdiction or by the Articles of Association of the Company.

### **4.17 Governing Law and Exclusion of Third Party Rights**

This Statement, the Scrip Dividend Scheme and the Terms and Conditions thereof shall be governed by, and construed in accordance with, the laws of Singapore. In addition, the Company confirms that this Statement, the Scrip Dividend Scheme and the Terms and Conditions thereof do not contravene any laws, regulations and the Articles governing the Company. A person who is not a party to these Terms and Conditions has no right under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce against the Company any of these Terms and Conditions.

## **5. APPLICATION FOR LISTING ON THE CATALIST**

The Company shall make the necessary application(s) for the listing and quotation of the New Shares to be issued for the purposes of, in connection with or where contemplated by, the Scrip Dividend Scheme. An appropriate announcement on receipt of such will be announced. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Scrip Dividend Scheme, the New Shares, the Company, its subsidiaries and their securities.

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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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### 6. TAKE-OVER IMPLICATIONS

The attention of Shareholders is drawn to Rule 14 of the Takeover Code. In particular, a Shareholder should note that he may be under an obligation to extend a take-over for the Company if:

- (a) he acquires, by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by him or persons acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (b) he, together with persons acting in concert with him holds not less than 30% but not more than 50% of the voting rights of the Company and he, or any person acting in concert with him, acquires in any period of six (6) months, additional Shares carrying more than 1% of the voting rights of the Company by participating in the Scrip Dividend Scheme in relation to any Qualifying Dividend.

**The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Takeover Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Takeover Code as a result of any acquisition of Shares through their participation in the Scrip Dividend Scheme are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.**

### 7. TAXATION

The Company takes no responsibility for the taxation liabilities of Participating Shareholders or the tax consequences of any election made by Shareholders. As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Shareholders if required.

The Company takes no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.

As a general indication, however, it is understood that as at the date of this Statement, under taxation legislation in Singapore, a Shareholder's tax liability in relation to the Dividends received will not alter, nor is there any tax advantage to be gained, by reason of having elected to participate in the Scrip Dividend Scheme.

### 8. INCOME TAX

The Company will deduct all income tax required to be deducted from the Qualifying Dividends in accordance with applicable law.

### 9. OTHER ITEMS

The New Shares are offered on the Terms and Conditions set out in this Statement and in the applicable provisions of the Articles of Association of the Company. There are no other terms other than those implied by law or set out in publicly registered documents.

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## APPENDIX B: SCRIP DIVIDEND SCHEME STATEMENT

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### 10. ENQUIRIES

Enquiries about any aspect of the Scrip Dividend Scheme should be directed to:

**FAR EAST GROUP LIMITED**  
112 Lavender Street #04-00  
Far East Refrigeration Building  
Singapore 338728

### 11. LIABILITY OF THE COMPANY

Notwithstanding anything herein, neither the Company nor any officer, director, agent or representative of the Company shall under any circumstances be liable or responsible to any Participating Shareholders for any loss, damage, cost or expense (collectively, "**Loss**") or alleged Loss in connection with or as a result, directly or indirectly, of the establishment or operation of the Scrip Dividend Scheme or participation in the Scrip Dividend Scheme, including any delay in allotting or issuing any New Shares or applying for their listing. No representation or warranty is given in respect of any New Shares, the Company or its subsidiaries or that listing approval for the New Shares will be obtained.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### FAR EAST GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 196400096C)

("Company")

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Company will be held at 112 Lavender Street #04-00 Far East Refrigeration Building Singapore 338728 on 30 April 2014, at 11:00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10:30 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 Resolutions, of which Resolution 1 will be proposed as a Special Resolution and Resolution 2 will be proposed as an Ordinary Resolution:

#### RESOLUTION 1: SPECIAL RESOLUTION

#### THE PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION BY THE ADDITION OF ARTICLE 139(1)

That the Articles of Association of the Company be and are hereby amended in the manner described in Appendix A of the Company's circular to shareholders of the Company dated 8 April 2014 (the "**Circular**").

#### RESOLUTION 2: ORDINARY RESOLUTION

#### THE SCRIP DIVIDEND SCHEME

That:

- (1) the scrip dividend scheme to be known as the "**FAR EAST GROUP LIMITED Scrip Dividend Scheme**" ("**Scrip Dividend Scheme**"), under which the Directors of the Company may, whenever the Directors of the Company or the Company in general meeting have resolved that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, resolve that shareholders entitled to such dividend may elect to receive an allotment of ordinary shares in the Company credited as fully paid *in lieu* of cash in respect of the dividend, be and is hereby approved; and
- (2) the Directors of the Company be and are hereby authorised:
  - (a) to establish and administer the Scrip Dividend Scheme;
  - (b) to modify and/or alter the Scrip Dividend Scheme from time to time and to do all such acts and things and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Scrip Dividend Scheme;
  - (c) subject to and contingent upon the passing of Resolution 1 and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be allotted and issued pursuant to the Scrip Dividend Scheme; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (d) to complete and do all acts and things (including executing such documents as may be required in connection with the Scrip Dividend Scheme) as they may consider desirable, necessary or expedient to give full effect to this Resolution and the Scrip Dividend Scheme.

### **By Order of the Board of Directors**

Loh Mun Yew  
Chief Executive Officer and Executive Director

8 April 2014

#### **Notes:**

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint not more than two proxies to attend and vote instead of him.
- (2) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.
- (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 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 48 hours before the time appointed for holding the Extraordinary General Meeting.

**FAR EAST GROUP LIMITED**

(Company Registration No. 196400096C)

(Incorporated in the Republic of Singapore)

**PROXY FORM  
EXTRAORDINARY GENERAL MEETING**

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of Far East Group Limited (the "Company") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

and my/our proxy/proxies to vote for me/us on my/our behalf, at the Extraordinary General Meeting ("EGM") of the Company, to be held at 112 Lavender Street #04-00 Far East Refrigeration Building Singapore 338728 on Wednesday, 30 April 2014 at 11:00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place), and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the EGM as indicated hereunder. If no specific directions as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the EGM.

No.	Ordinary Resolution	For*	Against*
1	<b>Resolution 1: Special Resolution</b> To approve the amendment to the Articles of Association by the addition of Article 139(1)		
2	<b>Resolution 2: Ordinary Resolution</b> To approve the Scrip Dividend Scheme		

\* Please indicate your vote "For" or "Against" with a tick (✓) within the box provided. If you wish to use 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 \_\_\_\_\_, 2014.

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

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

**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, you should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. Where a member appoints more than one 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.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting 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 Meeting.
5. 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 48 hours before the time set for the Meeting.
6. 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.
7. 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 Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**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 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.