

CIRCULAR DATED 8 SEPTEMBER 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. 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.

This Circular is issued by Far East Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”). Capitalised terms appearing on the cover of this Circular shall have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of the Company held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form 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 in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to section 2.8 (Risk Factors of the Proposed Diversification) of this Circular, which you should review carefully.

*This Circular has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for 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) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

This Circular has been made available on SGXNet (<https://www.sgx.com/securities/company-announcements>). A printed copy of this Circular will NOT be despatched to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the Extraordinary General Meeting (“EGM”) in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings through a “live” webcast comprising both video (audiovisual) and audio feeds, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy for resolutions tabled at the EGM.

Please refer to section 7 (Action to be taken by Shareholders) of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.



Far East Group Limited

(Company Registration No.:196400096C)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (A) **THE PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE FRESH PRODUCE BUSINESS; AND**
- (B) **THE PROPOSED SUBSCRIPTION BY THE COMPANY OF 200 NEW ORDINARY SHARES IN THE CAPITAL OF COMFRESH GROUP HOLDINGS PTY LTD REPRESENTING 20% OF THE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF COMFRESH GROUP HOLDINGS PTY LTD**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 20 September 2021 at 9.00 a.m.
Date and time of Extraordinary General Meeting : 23 September 2021 at 9.00 a.m.

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

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|---------------------------------|---|--|
| <i>“Board”</i> | : | The board of directors of the Company as at the date of this Circular |
| <i>“Catalist”</i> | : | The Catalist board of the SGX-ST |
| <i>“Catalist Rules”</i> | : | The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time |
| <i>“CDP”</i> | : | The Central Depository (Pte) Limited |
| <i>“Circular”</i> | : | This circular to Shareholders dated 8 September 2021 |
| <i>“Closing”</i> | : | Has the meaning ascribed to it in section 3.4.1 of this Circular |
| <i>“Comfresh”</i> | : | Comfresh Group Holdings Pty Ltd, (Company Registration No. ACN 642 696 188), a private company limited by shares incorporated in Australia |
| <i>“Comfresh Group”</i> | : | Comfresh, its subsidiaries and its associated companies |
| <i>“Companies Act”</i> | : | The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time |
| <i>“Company”</i> | : | Far East Group Limited (Company Registration No. 196400096C) |
| <i>“COVID-19”</i> | : | 2019 Novel Coronavirus |
| <i>“Deposit”</i> | : | Has the meaning ascribed to it in section 3.4.1 of this Circular |
| <i>“Directors”</i> | : | The directors of the Company as at the Latest Practicable Date |
| <i>“EBITDA”</i> | : | Earnings before interest, taxes, depreciation and amortisation |
| <i>“EGM”</i> | : | The extraordinary general meeting of the Company to be held via electronic means on 23 September 2021 at 9.00 a.m., the notice of which is set out on pages 25 to 289 of this Circular |
| <i>“EPS”</i> | : | Earnings per Share |
| <i>“FME”</i> | : | Future Maintainable Earnings |
| <i>“Fresh Produce Business”</i> | : | Has the meaning ascribed to it in section 2.1 of this Circular |
| <i>“FY”</i> | : | Financial year of the Company ended or ending 31 December (as the case may be) |

DEFINITIONS

| | | |
|----------------------------|---|---|
| “Group” | : | The Company and its subsidiaries |
| “HVAC&R” | : | Has the meaning ascribed to it in section 2.1 of this Circular |
| “Latest Practicable Date” | : | The latest practicable date prior to the printing of this Circular, being 31 August 2021 |
| “NTA” | : | Net tangible assets |
| “Ordinary Resolution” | : | An ordinary resolution proposed for approval in this Circular |
| “Ordinary Resolution 2” | : | The ordinary resolution to approve the Proposed Subscription |
| “Proposed Diversification” | : | Has the meaning ascribed to it in section 1.1 of this Circular |
| “Proposed Subscription” | : | Has the meaning ascribed to it in section 1.1 of this Circular |
| “SFA” | : | The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time |
| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “SGXNet” | : | A broadcast network utilised by companies listed on the SGX-ST for the purposes of sending information (including announcements) to the SGX-ST (or any other broadcast or system networks prescribed by the SGX-ST) |
| “Share(s)” | : | Ordinary share(s) in the share capital of the Company |
| “Shareholders” | : | The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, 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 |
| “SLA” | : | Has the meaning ascribed to it in section 3.1 of this Circular |
| “SRS” | : | Supplementary Retirement Scheme |
| “SSHA” | : | Has the meaning ascribed to it in section 3.1 of this Circular |
| “Subscription Price” | : | Has the meaning ascribed to it in section 3.4.1 of this Circular |

DEFINITIONS

| | | |
|---------------------------|---|--|
| “Subscription Shares” | : | Has the meaning ascribed to it in section 1.1 of this Circular |
| “Substantial Shareholder” | : | A person (including a corporation) who holds directly or indirectly 5% or more of the total number of voting Shares in the Company |
| “Tran” | : | TDL Investment Holdings Pty Ltd (Company Registration No. ACN 642 696 740) |
| “Vorrasi” | : | D.S.A. Processing as trustee of the Michael Vorrasi Family Trust (Company Registration No. ACN 160 899 810) |

Currencies, Units and Others

| | | |
|---------|---|--------------------------|
| “AUD\$” | : | Australian dollars |
| “S\$” | : | Singapore dollars |
| “%” | : | Per centum or percentage |

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them, respectively, in Section 81SF of the SFA and the terms “**treasury shares**”, “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include firms, corporations and other entities. Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) 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 in this Circular shall be a reference to Singapore time unless otherwise stated.

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

Unless otherwise stated, the conversion of AUD\$ to S\$ in this Circular are based on the exchange rates of AUD\$1.00 : S\$0.99866 on 22 July 2021, being the last full market day prior to the announcement dated 23 July 2021 in relation to the Proposed Diversification and the Proposed Subscription.

Opal Lawyers LLC has been appointed as the legal adviser to the Company as to Singapore law in relation to this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, plans, prospects, intentions or strategies regarding the future and assumptions in light of currently available information.

These forward-looking statements, including but not limited to, statements as to revenue and profitability; any expected growth; any expected industry prospects and trends; planned strategy and future expansion plans; any other matters that are not historical facts; and any other matters discussed in this Circular, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s, the Group’s, Comfresh’s, and Comfresh Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risk factors and uncertainties are discussed in more detail in this Circular, in particular, but not limited to, discussions in section 2.8 (*Risk Factors of the Proposed Diversification*) of this Circular.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. The Group, the Directors, the executive officers of the Company are not representing or warranting to you that the actual future results, performance or achievements of the Company, the Group, Comfresh and Comfresh Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. Further, the Company disclaims any responsibility, and undertake no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group’s expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

FAR EAST GROUP LIMITED
(Company Registration No.:196400096C)
(Incorporated in the Republic of Singapore)

Board of Directors

Ms Loh Pui Lai (Non-Executive Chairman)
Mr Loh Mun Yew (Chief Executive Officer and Executive Director)
Mr Leng Chee Keong (Chief Operating Officer and Executive Director)
Mr Ho Boon Chuan Wilson (Lead Independent Director)
Mr Mak Yen-Chen Andrew (Independent Director)
Mr Tan Hwee Kiong (Independent Director)

Registered Office

51 Ubi Avenue 3
Singapore 408858

8 September 2021

To: The Shareholders of Far East Group Limited

Dear Sir / Madam

- (A) **THE PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE FRESH PRODUCE BUSINESS; AND**
- (B) **THE PROPOSED SUBSCRIPTION BY THE COMPANY OF 200 NEW ORDINARY SHARES IN THE CAPITAL OF COMFRESH GROUP HOLDINGS PTY LTD REPRESENTING 20% OF THE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF COMFRESH GROUP HOLDINGS PTY LTD**

1 INTRODUCTION

1.1 Extraordinary General Meeting

The Directors are proposing to convene an EGM to be held by way of electronic means on 23 September 2021 at 9.00 a.m. to seek the approval of the Shareholders for the following:

- (a) (Ordinary Resolution 1) the proposed diversification of the Group's business to include the Fresh Produce Business (the "**Proposed Diversification**"); and
- (b) (Ordinary Resolution 2) the proposed subscription by the Company of 200 new ordinary shares in the capital of Comfresh Group Holdings Pty Ltd representing 20% of the enlarged issued and paid-up share capital of Comfresh Group Holdings Pty Ltd (the "**Subscription Shares**") to the Company (the "**Proposed Subscription**").

The Notice of EGM is set out at pages 27 to 30 of this Circular.

1.2 Purpose of the Circular

The purpose of this Circular is to provide Shareholders with information relating to, as well as to explain the rationale for and seek the Shareholders' approval for, the Proposed Diversification and the Proposed Subscription.

SHAREHOLDERS SHOULD NOTE THAT ORDINARY RESOLUTION 2 RELATING TO THE PROPOSED SUBSCRIPTION IS CONTINGENT ON THE PASSING OF ORDINARY RESOLUTION 1 RELATING TO THE PROPOSED DIVERSIFICATION. IN THE EVENT THAT ORDINARY RESOLUTION 1 IS NOT APPROVED BY SHAREHOLDERS, NONE OF THE RESOLUTIONS 1 AND 2 WILL BE PASSED.

LETTER TO SHAREHOLDERS

1.3 Disclaimers

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular. If a Shareholder is in any doubt as to the course of action he/she should take, he/she should consult his/her bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

2 PROPOSED DIVERSIFICATION

2.1 Introduction – The Proposed Diversification

In its continued search for opportunities, the Group has considered opportunities in the storage and distribution of fresh produce, including farming of vegetables and salad greens to diversify its business and broaden its stream of income and revenue. In this regard, the Group intends to diversify its core business being that of a provider of refrigeration and air-conditioning systems and products for the heating, ventilation, air-conditioning and refrigeration (“**HVAC&R**”) industries to include the business of farming, storage and distribution of fresh produce (“**Fresh Produce Business**”). As a start, the Company will be carrying out the Fresh Produce Business through Comfresh.

2.2 Current Core Business

The Group is a comprehensive provider of refrigeration and air-conditioning systems, products and services to various industries including but not limited to commercial and retail, food and beverage, supermarkets, cold storages, warehouse and logistics, hospitality, healthcare, oil, marine and gas industries. The Group’s manufacturing facilities for heat exchangers and condensing units are based in the People’s Republic of China and certain condensing units are built in Singapore. These heat-exchangers and condensing units are exported to various parts of Southeast Asia and the People’s Republic of China. The Group is also involved in the distribution of air-conditioning products and contracting and installation of air-conditioning systems in Singapore.

2.3 Information on the Fresh Produce Business

Subject to the approval of Shareholders being obtained at the EGM, the Group intends to foray into the agricultural segment and provide consultancy on HVAC&R solutions for operating the farm in a controlled environment, maximise efficiencies in cold storage, processing and distribution of fresh produce. The Group intends to initially focus on the production of vegetables and salad greens in hydroponic farms in Australia farmed under controlled conditions, and to sell its products to retailers in Australia.

The Company also proposes, as part of the Fresh Produce Business, to invest in, purchase or otherwise acquire, from time to time any such assets, investments and shares/interests in any entity that is in the Fresh Produce Business.

For the avoidance of doubt, the Group does not plan to restrict the Fresh Produce Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. The Company, Tran and Vorrasi are prohibited from engaging in any business in competition with Comfresh in Australia and directly with its business. Comfresh’s business is currently carried out only in Australia. The Company can carry out the expansion of the Proposed Diversification (1) through Comfresh or (2) through the Company’s existing network in the regions where the Company has presence and where Comfresh currently does not have any business or on sub-distribution basis.

LETTER TO SHAREHOLDERS

2.4 Future Plans

The Group remains committed in the continuance of its current existing business. The Group's entry into the Fresh Produce Business is intended to be a diversification from, but yet also a complementation of, the current existing business, which the Board believes will allow the Group to have better prospects of profitability and ensure long term growth by enabling the Group to have access to new business opportunities which in turn could potentially enhance the return on the Group's assets and improve Shareholder value in the long run.

While the Company's investment in Comfresh is only 20%, the Company's management sees value in Comfresh Group being a major grower and distributor in Australia. The potential growth of Comfresh Group's business in the next five years would add significant value to the Group in terms of the profitability and net worth. At least 30% of the after-tax profits of Comfresh shall be paid as dividends, but the shareholders of Comfresh may waive this requirement if the directors of Comfresh justify any exceptions with regard to current and future cash flow, liquidity and further investment. In addition, the Company intends to leverage on the experience and expertise of Comfresh's management to advise the Group on its plans to further expand into the Fresh Produce Business.

2.5 Rationale for the Proposed Diversification

The Group has consistently sought to improve Shareholders' long-term return. As part of the Group's strategy to broaden its stream of revenue and income, the Group intends to pursue the Fresh Produce Business.

The Board is supportive of the expansion of the existing business with the Proposed Diversification into the Fresh Produce Business for the following principal reasons:

2.5.1 Additional sustainable and growing revenue streams and complementary to existing business

The Proposed Diversification is expected to provide additional, recurrent and sustainable revenue streams for the Group while complementing its existing businesses. The supply of fresh produce is a sustainable business where consumers increasingly demand good quality fresh produce. It is thus also a scalable business with the correct expertise applied to its production, storage and distribution.

There exists a beneficial collaboration amongst the Group's existing refrigeration and air-conditioning business and the proposed Fresh Produce Business as the Group's expertise in solutions in cooling and refrigeration have natural synergy with the technological expertise necessary in the storage and processing of the fresh produce to ensure proper air circulation and humidity controls. In addition, the refrigeration equipment required in such storage locations is already supplied by the Group through a distributor in Australia.

With the expansion plans of Comfresh, the Group believes that its Proposed Diversification into the Fresh Produce Business is in fact a natural expansion of the Group's refrigeration and air-conditioning business, in view of the Group's experience in managing sophisticated controls for energy efficient cooling and air-handling.

In this regard, the Group can leverage on its current network, experience, and knowledge in the operations of refrigeration and air-conditioning to identify and seek suitable opportunities in the high-tech farming industry. Therefore, the Group believes that it will benefit particularly in terms of economies of scale and having a proven setup to showcase its proficiencies leverage on its existing cold storage and refrigeration operations to take advantage of business opportunities in the Fresh Produce Business.

LETTER TO SHAREHOLDERS

2.5.2 **More diversified income base, reducing reliance on and business risks of existing business especially as experienced during the period of COVID-19**

The Proposed Diversification may provide the Group with a more diversified business and sustainable income base for future growth and reduce the Group's reliance on its current core business for its revenue streams. Comfresh, being a well established leader in the industry for growing and distribution of fresh produce, has a proven track record and also a strong management team that brought the company to new heights despite the challenges brought about by the COVID-19 pandemic.

Leveraging Comfresh's success, the Proposed Diversification may provide the Group with a sustainable and diversified business model that reduces the Group's business risks relating to the HVAC&R industry.

2.5.3 **Enhance Shareholder value**

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. It may provide the Group with additional funds, which can be channelled towards the enhancement of shareholder value over the long-term. Additionally, as mentioned above, the Group believes that the Proposed Diversification can offer new business opportunities such as food distribution and provide it with new income streams and improve its prospects, so as to enhance Shareholder value in the Company.

In light of the above, the Board is of the view that the undertaking of the Fresh Produce Business is in the best interest of the Company and Shareholders.

2.6 **Management of the Fresh Produce Business**

It is currently envisaged that the Fresh Produce Business and related management will be spearheaded by the existing senior management of the Comfresh Group and they will be responsible for overseeing the entire operations of the Fresh Produce Business. Mr Loh Mun Yew, the Chief Executive Officer and Executive Director of the Company, will be appointed to the board of Comfresh. His experience in the HVAC&R industries will add value to Comfresh's business in the fields related to HVAC&R.

As the Company's investment in Comfresh is only 20% and the Company does not have any prior experience in the Fresh Produce Business, the Company will depend on the management of Comfresh to manage the day-to-day business. Comfresh is run by the Mr Johnny Tran and Mr Michael Vorrasi, both of whom are Directors of Comfresh.

Mr Johnny Tran ("**Mr Tran**") formed Comfresh Group Pty Ltd in 2010 after taking over a family business of growing and selling vegetables. Mr Tran's vision was to establish a collaborative network of strategic growers to consolidate and distribute fruit and vegetables nationally, so far he has achieved this by working with 5 vegetable growers in 2010 to over 500 growers at present. Mr Tran has developed a national brand and a distribution network servicing all states and all major supermarkets. Mr Tran also manages TDL Investment Holdings Pty Ltd which was incorporated to hold Mr Tran and his family's shareholding in Comfresh Group Holdings Pty Ltd.

Mr Michael Vorrasi ("**Mr Vorrasi**") was formerly a Director of D.S.A. Fresh Pty Ltd, a company that merged with Comfresh. Mr Vorrasi completed a Bachelor of Business (Marketing) prior to entering the produce industry in 2009. During his career in the produce industry, Mr Vorrasi has been recognised as 2012 Young Grower of the Year, won a Nuffield Scholarship in 2016, and was appointed as a board member of AusVeg SA, the state-wide representative body for South Australia's AUD\$2 billion vegetable industry in 2017.

LETTER TO SHAREHOLDERS

The Company will contribute to Comfresh's business at the board level, especially in terms of advice on the HVAC&R requirements of the business as well as potential business expansion in other regions outside Australia where the Group has presence.

The Board will continue to evaluate the manpower and expertise required for the Fresh Produce Business and the Group will consider increasing its manpower as and when required in connection with the Fresh Produce Business, including hiring additional staff or in-house or external consultants and professional advisers to assist with spearheading the Group's growth in the Fresh Produce Business and searching for new business opportunities for the Fresh Produce Business. Where necessary, work may be outsourced to third parties who have expertise in the relevant area in relation to the projects concerned. In selecting its partners, the Group will take into account the specific expertise and competencies required for the project in question and the experience, historical track record and financial standing of the partners concerned.

2.7 Future Funding for the Fresh Produce Business

The Subscription Price will be used to set up a high-tech green house with controlled environment for farming which minimises the effect of fluctuating and unpredictable weather conditions to increase the green house's yields and profitability.

When required, the Company may further fund the Fresh Produce Business through a combination of internal sources of funds and borrowings from financial institutions. The Directors will determine the optimal combination of internal funding and bank borrowings, taking into account the cash flow of the Group and the prevailing bank financing costs.

As and when necessary and deemed appropriate, the Group may explore secondary fundraising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

2.8 Risk Factors Relating to the Proposed Diversification

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders in making an informed judgement on the Proposed Diversification into the Fresh Produce Business are set out below. The Proposed Diversification involves a number of risks which relate to the countries in which the Group may operate as well as those which may generally arise from, *inter alia*, economic, business, market, political, liquidity, operational, legal and regulatory factors. These risks could materially change the risk profile of the Company and the Group.

Any of the risks described below or additional risks and uncertainties not presently known to the Company or the Group or that the Company or the Group currently deem immaterial may also impair the Company's or the Group's business, financial condition, operations and prospects. The risks and uncertainties described below are not intended to be exhaustive and are not the only risks and uncertainties that the Group may face.

Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM. The risks set out below are the material risks which the Group faces following the Proposed Diversification. If any of the following considerations, risks or uncertainties develops into actual events, the business, financial condition, results of operations, cash flow and prospects of the Group may be materially and adversely affected.

Shareholders should consider the risk factors in light of your own investment objectives and financial circumstances and should seek professional advice from your accountant, stock brokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

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2.8.1 **The Group does not have much prior track record and operating history in the Fresh Produce Business**

While the Group can leverage on existing expertise from its operations in the air-conditioning and refrigeration business, it does not have prior track record in carrying out or implementing the full extent of the Proposed Diversification. Therefore, there is no assurance that the Group's foray into the Fresh Produce Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Fresh Produce Business. The Fresh Produce Business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Group's future plans with regard to the Fresh Produce Business may not be profitable nor achieve profitability that justify the investments made and may take a long period of time before the Group can realise any return. Further, such future plans and new initiatives could result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group.

The Fresh Produce Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Fresh Produce Business effectively, the overall financial position and profitability of the Group may be adversely affected.

2.8.2 **The Fresh Produce Business is susceptible to adverse weather conditions, outbreak of plant related diseases, and contaminations**

The Fresh Produce Business relies on technology built into the high-tech green house to be able to control and increase the efficiencies of production of the fresh produce. Despite the use of technology to create an artificial environment that protects the fresh produce from the weather and the use of hydroponic systems to reduce the impact of pests or disease, there is no guarantee that outbreak of any disease would not occur. Outbreaks of disease may occur due to human errors, contamination of the growing facilities or handling of the fresh produce. Any outbreak may affect the production of the fresh produce.

2.8.3 **The Fresh Produce Business may be affected by the spread or an outbreak of any contagious disease**

As the Fresh Produce Business handles fresh produce, it is subject to stringent regulations and food safety protocols by the respective food agencies as well as key supermarkets chains to which Comfresh Group distributes the fresh produce. If there are non-compliances with these protocols and regulatory standards, there is a risk that Comfresh Group's licenses may be revoked. Nevertheless, there is no guarantee that compliance with the stringent food safety standards will equate to zero outbreak or spread of any disease. Any new strains of undetected diseases or mishandling may cause disease to spread. Comfresh Group has strict operating procedures and tracking systems in place to track the various batches of its fresh produce and the respective locations supplied to in situations where any recall is necessary.

2.8.4 **The Group's performance will be subject to macro-economic risks confronted by new businesses**

The Fresh Produce Business may be affected by many factors beyond the Group's control. The fluctuating, volatile, and uncertain nature of any of the following factors (several of which are further elaborated below) that affect the economy or agriculture market, whether globally or in any country in which the Group undertakes it, may adversely affect the business and test the Group's resilience to confront them:

- (i) economic, political, and social conditions;

LETTER TO SHAREHOLDERS

- (ii) natural disasters, terrorism, and war;
- (iii) legal and regulatory changes;
- (iv) liquidity and risk aversion;
- (v) equity, debt, property, commodity, and other financial markets;
- (vi) interest rates and foreign currency exchange rates;
- (vii) inflation and consumer demand; and
- (viii) investor confidence levels.

2.8.5 The Group is subject to various sector specific food safety standards, laws and regulations in the Fresh Produce Business

The Fresh Produce Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group operates and the countries or industries its customers operate. The Fresh Produce Business may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals required for its projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the Fresh Produce Business and/or in the interruption of its operations and may have a material adverse effect on its business.

The Group must also comply with the applicable laws and regulations in the Fresh Produce Business, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

2.8.6 The Group is subject to general risks associated with operating businesses outside Singapore

The Group does not plan to restrict the Proposed Diversification to any specific geographical market. As such, there are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

In addition, if the governments of countries in which the Group operates tightens or otherwise adversely changes their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group will be adversely affected.

2.8.7 The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group may participate in joint ventures, strategic alliances, acquisitions or other investment opportunities involving numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint

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ventures, strategic alliances, acquisitions or opportunities. Furthermore, the Group is expected to rely on its joint venture partners at the initial stage of its foray into the Proposed Diversification and there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture (such as failure to perform according to the expertise expected of the joint venture partner or meet the financial obligations), it may result in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

2.8.8 The Group may not have the ability or sufficient expertise to execute the Proposed Diversification

The Group's ability to successfully diversify into the Fresh Produce Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Fresh Produce Business. There is no assurance that the Group will be able to hire and subsequently retain employees with the relevant experience and knowledge as the Group may have to depend on the expertise of certain individuals to provide guidance and/or its investment partners to undertake the projects coming within the Fresh Produce Business. The Group may also appoint third party professionals and/or foster partnerships with various third parties to assist in undertaking the Fresh Produce Business more effectively and efficiently. However, there is no assurance that these third parties will be able to deliver and/or that these partnerships will be successful. Accordingly, the Group may not be able to successfully implement the Fresh Produce Business and this may adversely affect the Group's financial performance and profitability.

2.8.9 The Group may face intense competition from existing competitors and new market entrants in the Fresh Produce Business

There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. In the event that the Group is not able to compete successfully against its competitors or adapt to market conditions, its business operations, financial performance and financial condition may be adversely affected.

2.8.10 The Group may fail to attract and retain key employees, which could adversely impact the Fresh Produce Business

The Group may recruit appropriate management and employees for its Fresh Produce Business to provide guidance, and/or approach investment partners to jointly undertake the projects relevant to the Fresh Produce Business. The growth of the Fresh Produce Business is dependent on the Group's ability to identify, recruit and retain qualified employees to form a relevant and strong team with the requisite technical expertise to oversee the operations of the Fresh Produce Business. The failure to attract employees with the relevant skills and abilities to the Group, or the loss of certain key employees, could adversely impact the Group's ability to achieve the expected level of revenue and profitability.

2.8.11 The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its properties, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

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2.8.12 **The Fresh Produce Business may be susceptible to fluctuations in foreign exchange rates that could result in the Group incurring foreign exchange losses**

The income or revenue from the Fresh Produce Business may be generated from overseas markets. To the extent that the Group's income or revenue, purchases and operating costs are not matched in the same currency and to the extent there are timing differences between invoicing and collection of payment, as the case may be, the Group may be exposed to any unfavourable fluctuations of such currencies of the jurisdictions in which the Group will be engaging in to conduct the Fresh Produce Business, and the Group's operating results may be materially or adversely affected.

2.8.13 **The Group's operations may be subject to disruptions caused by uncontrollable and unforeseen events and influences**

The Group may face severe disruption in operations from events or circumstances not within its control which, sustained over time, may negatively impact the Group's business, financial condition, results of operations and prospects. Examples of these events or circumstances include conflicts, wars, terrorism, global pandemics (including the COVID-19 pandemic) and other social disruptions, adverse weather and natural disasters including floods, earthquakes, increased costs, unexpected delays from the engagement of third party contractors and service providers, accidents or fires which may result in injuries, damages to critical equipment, power supply or infrastructure and disruptions caused by members of the local community. Any of these events or conditions could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

2.9 **Requirements under the Catalist Rules**

2.9.1 In accordance with the SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first major transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval.

2.9.2 Notwithstanding that the Proposed Subscription constitutes a discloseable transaction and is not subject to Shareholders' approval under the Catalist Rules, the Company is seeking Shareholders' approval of the Proposed Subscription given that it is the Group's first foray into the Fresh Produce Business. Accordingly, upon Shareholders' approval of the Proposed Diversification and the Proposed Subscription, future transactions entered into in connection with the Fresh Produce Business may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Fresh Produce Business which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the Fresh Produce Business arise.

2.9.3 For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification is being sought:

- (a) where an acquisition of assets (whether or not the acquisition is deemed to be in the ordinary course of business of the Company) is one where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is 100.0% or more, or results in a change in control of the Company, the transaction is classified as a very substantial acquisition or reverse takeover and would be subject to Rule 1015 of the

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Catalist Rules, and such transaction will be made conditional upon approval by Shareholders at a general meeting;

- (b) Practice Note 10A of the Catalist Rules will apply and Shareholders' approval would be required for any transaction (which falls within the definition as set out in Rule 1002(1) of the Catalist Rules) which changes the risk profile of the Company; and
- (c) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such transactions and the Company will comply with the relevant provisions.

In addition, the Company will be required to comply with any applicable and prevailing Catalist Rules as may be amended, modified or supplemented from time to time.

2.10 Risk Management Measures and Safeguards

The Board recognises the importance of internal control and risk assessment for the smooth running of the Fresh Produce Business. In order to better manage the Group's external and internal risks resulting from the Fresh Produce Business, the Group will work with Comfresh's management to implement a set of operations and compliance procedures.

The audit committee of the Company and the Board will:

- (a) review with the management, external and/or internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the Fresh Produce Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

When the Company identifies a potential opportunity in respect of the Fresh Produce Business, each of the Directors and key management personnel will be obliged to disclose to the Board where he and/or his associates have an interest (and the full extent thereof) in the transaction ("**Conflicted Individual**").

A Conflicted Individual shall not (i) vote in respect of matters in relation to the Fresh Produce Business; (ii) will not, directly or indirectly, make any executive decisions in respect of the Fresh Produce Business; and (iii) will not, directly or indirectly influence or participate in the operations and management of the Fresh Produce Business.

2.11 Financial Impact of the Fresh Produce Business

As at the Latest Practicable Date, save for the Proposed Subscription, the Group has not made any substantial affirmative and binding investments in relation to the Proposed Diversification that are expected to materially impact the EPS or NTA per Share of the Group for the current financial year ending 31 December 2021. Please refer to sections 3 for the financial effects in relation to the Proposed Subscription.

The Company would make the necessary announcements as and when appropriate in the event that any further developments relating to the Proposed Diversification would have any material impact on the EPS or NTA per Share of the Group.

2.12 Impact on the Financial Reporting of the Fresh Produce Business

For the purposes of reporting the financial performance of the Group, in accordance with the applicable accounting standards and the Catalist Rules, where the financial results of the Fresh

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Produce Business are material, it will be accounted for and disclosed as a separate business segment in the Group's financial statements. The Group's financial statements, which would include the financial results of the Fresh Product Business, will be periodically announced in accordance with the requirements set out in Chapter 7 of the Catalyst Rules.

3 PROPOSED SUBSCRIPTION

3.1 Background

On 23 July 2021, the Company announced that it had on the same day entered into a conditional subscription and shareholders agreement (the "SSHA") with Comfresh, Tran and Vorrasi pursuant to which the Company agreed to subscribe for the Subscription Shares, on the terms and subject to the conditions of the SSHA.

On 29 July 2021, the Company announced its responses to queries from the SGX-ST received on 27 July 2021 in relation to the Proposed Diversification and the Proposed Subscription.

On 20 August 2021, the Company announced that it had entered into a supplemental letter agreement with Comfresh, Tran and Vorrasi in respect of the payment of an additional deposit of an amount of AUD\$1,000,000 by the Company to Comfresh as additional part payment of the Subscription Price (the "SLA"). The additional deposit is solely to be used by Comfresh towards the development of a high-tech green house with controlled environment for Comfresh's farming in South Australia.

A copy of the announcements dated 23 July 2021, 29 July 2021, and 20 August 2021 can be found on the SGXNet at <https://www.sgx.com/securities/company-announcements>.

Upon completion of the Proposed Subscription, Comfresh will become an associated company of the Company.

In connection therewith, the Company also announced its intention to diversify into the Fresh Produce Business (as elaborated in section 2 above).

3.2 Information on Comfresh

Comfresh is a private company limited by shares incorporated in Australia on and registered on 16 July 2020 and has an issued and paid-up share capital of 800 ordinary shares, of which 600 ordinary shares are held by Tran and 200 ordinary shares are held by Vorrasi, as at the date of the SSHA.

Comfresh is principally engaged in the business of growing, wholesaling and distribution of fresh produce such as fruits and vegetables in Australia. Comfresh consists of two established growers and distributors of fresh produce and salad greens, Comfresh Pty Ltd and D.S.A. Fresh Pty Ltd, with more than 40 years of combined experience between them. Comfresh Pty Ltd was incorporated in 2010 and operated with a primary focus on selling fresh produce in Adelaide, Australia. Its primary focus historically was on the supply of whole and chopped vegetables. D.S.A. Fresh Pty Ltd was incorporated in 2008 and operated with a primary focus on selling herbs and salad items, a portion of which had been produced in in-house growing facilities.

Comfresh is also one of the top suppliers of cucumbers throughout the whole of Australia distributing to the key supermarket chains in Australia. Comfresh employs hydroponics as a farming technique for their herbs and salad greens. The Subscription Price (as defined below) will be used to set up a high-tech green house with controlled environment for their farming which minimises the effect of fluctuating and unpredictable weather conditions to increase their yields and profitability.

As at the date of SSHA, Comfresh holds 100% of the total number of shares in Comfresh Assets Pty Ltd, Comfresh Pty Ltd, Standvastig Pty Ltd, and D.S.A. Fresh Pty Ltd. Comfresh also has

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two 50%-owned associated companies, namely Dvise Solutions Pty Ltd and 321 Tozer Road Pty Ltd. The remaining shareholders of the aforesaid associated companies are unrelated to Comfresh or its key management personnel.

3.3 Share Capital at Closing

At Closing, the issued ordinary share capital of Comfresh shall comprise such number of ordinary shares held by Tran, Vorrasi and the Company as set out below:

| Shareholder | Ordinary Shares held | Percentage of Ordinary Shares held |
|-------------|----------------------|------------------------------------|
| Tran | 600 | 60% |
| Vorrasi | 200 | 20% |
| The Company | 200 | 20% |

3.4 Principal Terms of the Proposed Subscription

3.4.1 Consideration and Valuation

The aggregate consideration for the Sale Shares is AUD\$7,300,000 (the “**Subscription Price**”) to be satisfied in the following tranches:

- (a) AUD\$3,000,000 paid as a deposit as part payment of the Subscription Price upon signing the SSHA and AUD\$1,000,000 paid as an additional deposit as additional part payment of the Subscription Price upon signing the SLA (together, the “**Deposit**”); and
- (b) AUD\$3,300,000, being the balance Subscription Price, to be paid by the Company to Comfresh on the closing of the Proposed Subscription, being 27 September 2021, or such other date as mutually agreed by the parties (“**Closing**”).

The Subscription Price was arrived at after arm’s length negotiations and on a willing buyer and willing seller basis between the Company and Comfresh after taking into account, *inter alia*, the NTA of the Comfresh Group of approximately AUD\$11,037,000 as at 28 February 2021 and the book value of the Comfresh Group of AUD\$13,022,000 as at 28 February 2021, as estimated from the management accounts of the Comfresh Group, the preliminary indicative valuation of the Comfresh Group as at 28 February 2021 (between AUD\$30.5 million and AUD\$37.2 million) as well as the growth potential and future plans of the Comfresh Group.

No valuation based on international valuation standard was commissioned by the Company in respect of the Subscription Shares. However, the Company has assessed the preliminary indicative valuation of the Comfresh Group as estimated from enterprise value and equity value using FME and earnings multiple, with the assistance of a reputable international accounting firm which is also commissioned by the Company to perform the financial due diligence on the Comfresh Group.

Enterprise value is derived from assessed FME multiplied by assessed EBITDA multiple. In arriving at the estimate of the FME, adjusted *pro forma* EBITDA of the Comfresh Group over the historical period from 1 July 2018 to 28 February 2021 and forecast period from 1 March 2021 to 30 June 2022 have been considered. In the assessment of an earnings multiple, the implied EBITDA multiples of comparable listed companies and transactions completed of comparable target companies which operate within the fresh produce wholesale and distribution industry have been considered. Equity value (which is the preliminary indicative value of the Comfresh Group) is derived from enterprise value add net cash/debt and surplus assets (properties).

Such indicative valuation was prepared in accordance with APES225 Valuation Services (“**APES225**”). APES225 is the Australian Professional & Ethical Standards Board’s Standard that specifies the professional and ethical obligations of a member of the Chartered

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Accountants Australia and New Zealand (CAANZ) in the respect of the provision of a valuation service.

The Subscription Price is within the range of the preliminary indicative valuation the Comfresh Group of between AUD\$30.5 million and AUD\$37.2 million. The valuation work will be finalised at Closing.

The Subscription Price will be funded by the Group through internal resources and will be satisfied in cash by the Company.

3.4.2 Conditions Precedent

The SSHA is conditional upon, *inter alia*, the following conditions precedent having been fulfilled and/or waived:

- (a) the Company being satisfied in its absolute discretion with the results of the due diligence investigation (whether legal, financial, contractual, tax or otherwise) carried out by a professional service firm engaged by the Company in respect of Comfresh, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, financial performance, tax liabilities, accounts, results and prospects of Comfresh;
- (b) the approval of the Shareholders being obtained for the Proposed Diversification and Proposed Subscription;
- (c) there being no material adverse change, or events, acts or omissions likely to lead to such a change in the corporate structure, management team, principal activities, prospects, operations, assets, business, profits, performance, financial position or results of operations of Comfresh occurring on or before Closing; and
- (d) Comfresh maintaining a minimum unaudited net asset value of AUD\$13,000,000 as at Closing.

3.4.3 Deposit

As the Deposit represents part payment of Subscription Price, if:

- (a) any of the conditions precedent is not fulfilled by Comfresh or not waived by the Company, as the case may be;
- (b) any of the pre-completion undertakings as set out in the SSHA has not been carried out or complied with; or
- (c) Closing does not take place by 27 September 2021, or such other date as mutually agreed by parties,

the Company is entitled to demand that Comfresh refund the Deposit fully in cash, free from all deductions and set-off. Vorrasi and Tran have jointly and severally agreed to fully indemnify the Company against any losses reasonably incurred by the Company as a result of any breach or default by Comfresh of its obligations to refund the Deposit.

3.5 Rationale

In line with the Group's aims to focus on broadening its stream of income and revenue, the Proposed Subscription will allow the Group to expand its core business to include the Fresh Produce Business currently carried out by Comfresh which will provide additional, recurrent and sustainable revenue streams and may reduce the Group's reliance on its core business.

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As such, the Company is of the view that the Proposed Subscription will enhance shareholder value for the Company.

3.6 Relative Figures under Rule 1006 of the Catalist Rules

Based on the Company's latest announced audited financial statements of the Group for the financial year ended 31 December 2020 ("FY2020"), the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Subscription are set out below.

| Catalist Rule 1006 | | Relative Figures |
|--------------------|--|-------------------------------|
| Rule 1006 (a) | The net asset value of the assets to be disposed of, compared with the Group's net asset value | Not applicable ⁽¹⁾ |
| Rule 1006 (b) | The net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits | 14% ⁽³⁾ |
| Rule 1006 (c) | The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares | 69% ⁽⁴⁾ |
| Rule 1006 (d) | The number of equity securities issued by the Company as consideration for the Proposed Subscription, compared with the number of equity securities previously in issue | Not applicable ⁽⁵⁾ |
| Rule 1006 (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 ⁽⁶⁾ |

Notes:

- (1) Not applicable as this is not a disposal.
- (2) Under Rule 1002(3) of the Catalist Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Based on the *pro forma* unaudited profit before tax attributable to the Subscription Shares of AUD\$1,040,800 (being 20% of the *pro forma* unaudited profit before tax of the Comfresh Group of AUD\$5,204,000) or equivalent to approximately S\$967,000 for the latest financial year ended 30 June 2020 and the Group's audited loss before tax of S\$6,944,000 for FY2020.
- (4) Based on the Subscription Price of AUD\$7,300,000 (or equivalent to approximately S\$7,439,000) and the Company's market capitalisation of approximately S\$10,811,814 on 14 July 2021 (being the last market day on which the Company's shares were traded preceding the date of the SSHA), computed based on the Company's volume weighted average price of S\$0.097 per Share and the Company's total number of issued shares of 111,462,000 shares.
- (5) Not applicable as the Subscription Price will be fully satisfied in cash.
- (6) Not applicable as this is not a disposal of mineral, oil or gas assets.

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Pursuant to section 4.4(b) of Practice Note 10A of the Catalist Rules, as the absolute relative figures computed on the bases set out in Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 75%, and the net profits attributable to the Subscription Shares exceeds 5% of the consolidated net loss of the Group, the Proposed Subscription constitutes a “disclosable transaction” pursuant to Chapter 10 of the Catalist Rules.

Notwithstanding the above, the Company will be seeking Shareholders’ approval for the Proposed Subscription given that this is the Group’s first foray into a new business sector.

3.7 Financial Information and Financial Effects of the Proposed Subscription

The financial effects of the Proposed Subscription set out below are strictly for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Subscription.

The financial effects of the Proposed Subscription were calculated based on the Group’s audited consolidated financial statements for FY2020 and the *pro forma* unaudited financial statements of the Comfresh Group for the financial year ended 30 June 2020. The financial effects as shown below are prepared on the assumption that the expenses in connection with the Proposed Subscription have been disregarded.

3.8 NTA per Share

The effects of the Proposed Subscription on the consolidated NTA per share of the Group as at 31 December 2020, assuming that the Proposed Subscription had been completed on 31 December 2020 would be as follows:

| | Before the Proposed Subscription | After the Proposed Subscription |
|--|----------------------------------|---------------------------------|
| NTA ⁽¹⁾ (S\$’000) | 42,965 | 42,965 |
| Number of issued shares (excluding treasury shares and subsidiary holdings) (’000) | 111,462 | 111,462 |
| NTA per share (cents) | 38.55 | 38.55 |

Note:

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

3.9 Loss per Share

The effects of the Proposed Subscription on the consolidated loss per share of the Group for FY2020, assuming that the Proposed Subscription had been completed on 1 January 2020 would be as follows:

| | Before the Proposed Subscription | After the Proposed Subscription |
|---|----------------------------------|---------------------------------|
| Loss attributable to owners of the Company ⁽¹⁾ (S\$’000) | (7,179) | (6,502) |
| Weighted average number of issued shares (excluding | 111,462 | 111,462 |

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| | | |
|---|--------|--------|
| treasury shares and subsidiary holdings) ('000) | | |
| Loss per share (cents) | (6.44) | (5.83) |

Note:

- (1) Loss attributable to owners of the Company refers to the loss after income tax and extraordinary items, and after deducting non-controlling interests.

3.10 Interests of Directors or Controlling shareholders

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Subscription, other than through their respective shareholdings (if any) in the Company.

3.11 Service Contracts

No person is proposed to be appointed as a Director in connection with the Proposed Subscription. Accordingly, no service contract is proposed to be entered into in connection with the Proposed Subscription.

4 INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interest of the Directors and the Substantial Shareholders in the capital of the Company as at the Latest Practicable Date are as follows:

| | Direct Interest | | Deemed Interest | |
|--|------------------|-------|------------------|-------|
| | Number of Shares | % | Number of Shares | % |
| Directors | | | | |
| Loh Pui Lai ^{(a)(d)} | - | - | 6,300,000 | 5.65 |
| Loh Mun Yew ^{(a)(b)} | 2,331,900 | 2.09 | 65,115,500 | 58.42 |
| Leng Chee Keong | 7,439,800 | 6.67 | - | - |
| Ho Boon Chuan Wilson | - | - | - | - |
| Mak Yen-Chen Andrew | - | - | - | - |
| Tan Hwee Kiong | - | - | - | - |
| Substantial Shareholders (other than Directors) | | | | |
| Universal Pte. Ltd. ^(c) | 63,855,000 | 57.29 | - | - |
| Cheung Wai Sum ^{(a)(d)} | 6,300,000 | 5.65 | - | - |

Notes:

- (a) Loh Mun Yew and Loh Pui Lai are siblings and Loh Pui Lai is the spouse of Cheung Wai Sum.
- (b) 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.
- (c) 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 Loh Mun Yew, Loh Pui Lai, Lum Soo Mooi (parent of Loh Mun Yew and Loh Pui Lai) and Loh Pui Pui (daughter of Lum Soo Mooi, and sibling of Loh Mun Yew and Loh Pui Lai) with shareholding interest of 43.69%, 18.82%, 18.47% and 19.02% respectively. The directors of Universal Pte. Ltd. are Loh Mun Yew, Loh Pui Pui and Lum Soo Mooi.
- (d) Loh Pui Lai is deemed to have an interest in the 6,300,000 Shares held by her spouse, Cheung Wai Sum, by virtue of Section 164(15)(a) of the Companies Act.

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5 DIRECTORS' RECOMMENDATIONS

Having considered, *inter alia*, the rationale for the Proposed Subscription and Proposed Diversification, the terms and conditions of the Proposed Subscription and all other relevant facts set out in this Circular, the Directors are of the opinion that the Proposed Subscription and Proposed Diversification should contribute positively to the Company and Shareholders. Accordingly, the Board recommends that the Shareholders vote in favour of the Ordinary Resolution 1 and Ordinary Resolution 2.

6 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 27 to 30 of this Circular, will be held by way of electronic means on 23 September 2021 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the notice of EGM.

7 ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings through a "live" webcast via their mobile phones, tablets or computers; (b) submitting questions in advance of the EGM; and (c) voting by proxy at the EGM.

7.2 The following are the alternative arrangements which have been put in the place for the EGM:

(a) Registration for "live" webcast

- (i) The EGM will be conducted only by way of electronic means and shareholders will not be able to physically attend the EGM. Shareholders or their proxy(ies) or representative(s) will be able to watch or observe the EGM proceedings through a "live" webcast (audio-visual) or audio-only feed ("**Webcast**"). In order to do so, Shareholders must follow these steps:
 - Shareholders who wish to watch the Webcast must pre-register online at the Company's website at the URL www.fareastgroup.com.sg/newsroom/ (the "**Registration Link**") by 21 September 2021 at 9.00 a.m. (the "**Registration Deadline**"), for authentication of their status as Shareholders.
 - Upon successful authentication, the Shareholder or its proxy(ies) or representative(s) will receive an email containing details on how to join the Webcast by email. Please note that this email should not be forwarded to any other persons. Only one person will be allowed to the Webcast per registration.
 - The EGM shall commence at 9.00 a.m. on 23 September 2021. Shareholders who have pre-registered for the EGM will be considered to have enrolled for the EGM.
- (ii) Shareholders or their proxy(ies) or representative(s) who did not receive the email by 9.00 a.m. on 22 September 2021 but have registered by the Registration Deadline, may contact the Company's technical support via an email request to fegegm@fareastref.com.sg for assistance.

(b) Submission of questions:

- (i) Shareholders or their proxy(ies) or representative(s) may submit questions relating to the resolutions to be tabled for approval at the EGM. In order to do so, all

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questions must be submitted by 9.00 a.m. on 20 September 2021 via the Registration Link.

- (ii) The Company will endeavour to respond to substantial and relevant questions (as may be determined by the Company in its sole discretion) via SGXNet or the Company's website as far as possible, or otherwise during the EGM through the Webcast.
- (iii) Please note that Shareholders will not be able to ask questions at the EGM during the Webcast, and therefore it is important for Shareholders to submit their questions by the above stipulated deadline.
- (iv) The Company will publish the Minutes of the EGM on the Company's website and on SGXNet within one month from the conclusion of the EGM.

(c) Proxy voting

Shareholders will not be able to vote through the Webcast on the resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the EGM to vote on their behalf at the meeting:

- (i) Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in proxy form, failing which the appointment will be treated as invalid.
- (ii) The proxy form can be submitted to the Company in hard copy form or by email:
 - if in hard copy by post, to the Company's appointed polling agent, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - if by email, proxy form must be received by proxyform@fareastref.com.sg.

in either case, no later than 9.00 a.m. on 20 September 2021 (the "**Proxy Deadline**").

Shareholders who wish to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (including their respective SRS approved banks or depository agents) to submit their voting instructions by 14 September 2021 at 9.00 a.m. in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf no later than the Proxy Deadline.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to vote thereat unless his name appears on the Depository Register as certified by CDP at least 72 hours before the time appointed for holding the EGM.

(d) Notice of EGM, Circular and proxy form

Printed copies of the Notice of EGM, this Circular and the proxy form will not be sent to Shareholders. Instead, the Notice of EGM, this Circular and the proxy form may be

LETTER TO SHAREHOLDERS

accessed at the Company's website or on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the EGM at short notice. For the latest updates on the arrangements for the EGM, Shareholders should check the Company's website or SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

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 Proposed Diversification and Proposed Subscription, 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 AVAILABLE FOR INSPECTION

Copies of the SSHA and SLA are available for inspection by Shareholders at the registered office of the Company at 51 Ubi Avenue 3 Singapore 408858, during normal business hours from the date of this Circular up to and including the date of the EGM.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to info@fareastref.com.sg to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time in relation to the ongoing COVID-19 outbreak.

Yours faithfully
For and on behalf of the Board of Directors of
Far East Group Limited

LOH MUN YEW
Chief Executive Officer and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

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 by way of electronic means on 23 September 2021 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

All capitalised terms used in this notice which are not otherwise defined shall have the same meanings as ascribed to them in the Company's circular to its shareholders dated 8 September 2021.

ORDINARY RESOLUTION 1 - PROPOSED DIVERSIFICATION OF THE CURRENT CORE BUSINESS OF THE GROUP TO INCLUDE THE FRESH PRODUCE BUSINESS

That:

- (1) approval be and is hereby given for the Company and its subsidiaries to carry out and implement the proposed diversification of the current core business of the Group to include Fresh Produce Business (“**Proposed Diversification**”), and any other transactions and activities necessary or desirable in connection therewith; and
- (2) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to the Proposed Diversification as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

ORDINARY RESOLUTION 2 - THE PROPOSED SUBSCRIPTION BY THE COMPANY OF 200 NEW ORDINARY SHARES IN THE CAPITAL OF COMFRESH GROUP HOLDINGS PTY LTD REPRESENTING 20% OF THE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF COMFRESH GROUP HOLDINGS PTY LTD

That, subject to and contingent upon the passing of Ordinary Resolution 1:

- (1) approval be and is hereby given for the proposed subscription by the Company of 200 new ordinary shares in the capital of Comfresh Group Holdings Pty Ltd representing 20% of the enlarged issued and paid-up share capital of Comfresh Group Holdings Pty Ltd (the “**Proposed Subscription**”), on the terms and subject to the conditions set out in the SSHA, and any other transactions and/or ancillary documents contemplated under the SSHA; and
- (2) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to the Proposed Subscription as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

By Order of the Board
FAR EAST GROUP LIMITED

Loh Mun Yew
Chief Executive Officer and Executive Director
8 September 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Measures to Minimize Risk of Community Spread of 2019 Novel Coronavirus (“COVID-19”):

Printed copies of this notice, Circular and the accompanying proxy form will NOT be sent to members. These documents will be sent to members by electronic means via publication on the Company’s website at the URL www.fareastgroup.com.sg/newsroom/ and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Alternative arrangements relating to members’ participation at the EGM are: (a) observing the EGM proceedings contemporaneously via a live webcast and live audio feed of the EGM proceedings (“**Live EGM Webcast**” and “**Live EGM Audio Feed**”, respectively); (b) submitting questions in advance in relation of the resolutions set out in the Notice of EGM; and (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Members will be able to participate in the EGM in manner set out in the paragraphs below.

Live EGM Webcast and Live EGM Audio Feed:

1. The Live EGM Webcast and the Live EGM Audio Feed will take place on 23 September 2021 at 9.00 a.m. in place of the physical EGM. **Members will be able to watch or listen to the EGM proceedings through the Live EGM Webcast or the Live EGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the EGM physically in person will be turned away.**
2. In order to do so, members must pre-register online at the Company’s website at the URL www.fareastgroup.com.sg/newsroom/ (the “**Registration Link**”) by 21 September 2021 at 9.00 a.m. (the “**Registration Deadline**”), being not less than 48 hours before the time appointed for holding the EGM, to enable the Company to verify their members’ status. Following verification and upon closure of pre-registration, authenticated members will receive email instructions to access the Live EGM Webcast and the Live EGM Audio Feed of the EGM proceedings by 22 September 2021 at 9.00 a.m. (being 24 hours before the time appointed for the holding of the EGM). Members are reminded that the EGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the EGM. Only one person will be allowed to the Live EGM Webcast per registration.
3. Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 22 September 2021 at 9.00 a.m. may contact the Company’s technical support via an email request to fegegm@fareastref.com.sg for assistance.
4. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy shares using SRS monies (“**SRS Investors**”), and who wish to participate in the EGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

Submission of Questions in Advance:

1. **Please note that members will not be able to raise questions at the EGM during the Live EGM Webcast or the Live EGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the EGM.**

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. Members may submit questions relating to the items on the resolutions set out in the Notice of EGM in advance by the Registration Link. All questions must be submitted by 20 September 2021 at 9.00 a.m. (being 72 hours before the time appointed for the holding of the EGM).
3. A member who wishes to submit his questions by post or by email is required to indicate his full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his submission of questions, to the office address or email address provided.
4. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.
5. Responses to questions from members will be posted on the SGXNet and the Company's website before the EGM, or if answered during the EGM, to be included in the minutes of the EGM which will be published on the SGXNet and the Company's website within one (1) month after the date of the EGM.

Submission of Proxy Forms to Vote:

1. **Members will not be able to vote online or through the Live EGM Webcast or the Live EGM Audio Feed on the resolutions to be tabled for approval at the EGM. Members who wish to exercise their votes must submit a proxy form to appoint the Chairman of the EGM to cast votes on their behalf.** Members (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid. The Chairman of the EGM, as proxy, need not be a member of the Company. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
2. The proxy form, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted: (a) by post to the Company's appointed polling agent, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or (b) by email to proxyform@fareastref.com.sg, in each case, not less than 72 hours before the time appointed for holding the EGM, i.e. by 20 September 2021 at 9.00 a.m.. A member who wishes to submit the proxy form must download, complete and sign the proxy form, then submit by post to the address provided above, or sending it by email to the email address provided above. **Members are strongly encouraged to submit completed Proxy Forms electronically via email.**
3. Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven (7) working days before the EGM (i.e. by 14 September 2021 at 9.00 a.m.) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by 20 September 2021 at 9.00 a.m..
4. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNet. Members are advised to check our Company website at www.fareastgroup.com.sg or the SGXNet at <https://www.sgx.com/securities/company-announcements> regularly for updates on the EGM.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the EGM via the Live EGM Webcast or the Live EGM Audio Feed, or (c) submitting any question prior to the EGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy 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);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the EGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

PROXY FORM

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

PROXY FORM

IMPORTANT

- (a) Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.
- (b) Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the EGM, addressing of substantial and relevant questions before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM dated 8 September 2021.
- (c) SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS Operators to submit their votes by 14 September 2021 at 9.00 a.m. (being seven (7) working days before the EGM).

I/We*, _____ (Name) _____ (NRIC/Passport/Registration Number) of _____ (Address) being a member/members* of **FAR EAST GROUP LIMITED** (the "**Company**") hereby appoint the Chairman of the Extraordinary General Meeting of the Company ("**EGM**"), being Mr. Loh Mun Yew, the Executive Director and Chief Executive Officer of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the EGM to be held by electronic means on Thursday, 23 September 2021 at 9.00 a.m. and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, vote against or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

| No. | Ordinary Resolutions | FOR** | AGAINST** | ABSTAIN** |
|-----|---|-------|-----------|-----------|
| 1. | To approve the Proposed Diversification | | | |
| 2. | To approve the Proposed Subscription | | | |

* Delete accordingly

** If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick [✓] within the boxes provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2021

| Total number of Shares in | Number of Shares |
|---------------------------|------------------|
| (a) Depository Register | |
| (b) Register of Members | |

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the EGM, being a proxy, need not be a member of the Company.
4. This instrument appointing a proxy or proxies, duly executed, must be submitted (a) by post to the Company's appointed polling agent, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or (b) by email to proxyform@fareastref.com.sg, in each case, not less than 72 hours before the time appointed for holding the EGM. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
5. This instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
7. A corporation which is a member may authorise by a 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.
8. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act (Chapter 50) of Singapore, including investors under the Supplementary Retirement Scheme ("**SRS Investors**"), who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries, including SRS Operators, to submit their voting instructions at least seven (7) working days before the EGM (i.e. by 14 September 2021 at 9.00 a.m.) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.
9. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 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 this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of EGM of the Company dated 8 September 2021.