



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

RESTRUCTURING OF MALAYSIA OPERATIONS TO FOCUS ON DISTRIBUTION ACTIVITIES

The board of directors (the “**Board**” or the “**Directors**”) of Far East Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that, following an in-depth review of the operating environment and the forward business direction of the Group which includes improvement of internal efficiencies, it intends to cease its Malaysia-based manufacturing operations on 7 December 2016 as part of a Group-wide restructuring (the “**Restructuring**”).

This Restructuring will result in the Group consolidating the existing production of heat exchangers in Malaysia with that of its 84.25%-owned subsidiary Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd. (“**ERM**”) in the People’s Republic of China. Going forward, ERM will be the main manufacturing entity of the Group, covering heat exchangers as well as other refrigeration products. The Restructuring will also allow the Malaysian operations to focus on expanding the distribution network of the Group’s Eden brand of heat exchangers.

As part of the Restructuring, the Group’s Malaysian manufacturing operations in Far East Maju Engineering Works Sdn. Bhd. in Seri Kembangan, Selangor, will cease with immediate effect. The cessation of manufacturing activities will affect all 39 staff members who have been informed of the decision. The Group will ensure that the affected staff receive the appropriate compensation benefits under the Malaysian Employment Act 1955, and will render assistance such as letters of reference to help those affected find alternative employment.

In view of the Restructuring, the Group expects to incur a one-off non-recurring expense of S\$800,000 for the financial year ending 31 December 2016.

The Restructuring exercise dovetails with the Group’s long-term strategy to raise its Group-wide productivity and factory utilisation rates, as well as streamline internal and operational efficiencies.

None of the Directors, controlling Shareholders or their respective associates has any interest, direct or indirect, in the Restructuring, save for their respective shareholdings in the Company, if any.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Restructuring, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

BY ORDER OF THE BOARD

Loh Mun Yew
Chief Executive Officer and Executive Director
7 December 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Advisors Private Limited (“**Sponsor**”), for compliance with the relevant*

rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Ms. Lee Khai Yinn (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Advisors Private Limited is a wholly-owned subsidiary of SAC Capital Private Limited.