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If you have sold or transferred all your shares in Far East Global Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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遠東環球集團有限公司

FAR EAST GLOBAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 830)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO

(1) PROVISION OF EXTERIOR FACADE WORKS TO 中國建築股份有限公司

(CHINA STATE CONSTRUCTION ENGINEERING CORPORATION LIMITED)
AND

(2) PROVISION OF CONTRACTING AND ENGINEERING WORKS, PROJECT CONSULTANCY SERVICE AND PROJECT MANAGEMENT SERVICE TO CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 5 to 13 of this circular and a letter from the Independent Board Committee is set out on pages 14 to 15 of this circular. A letter from South West Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 27 of this circular.

A notice convening the EGM to be held at 16th Floor, Eight Commercial Tower, No. 8 Sun Yip Street, Chai Wan, Hong Kong on Friday, 6 July 2012 at 3:00 p.m. is set out on pages 33 to 35 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjourned meeting (as the case may be) should you so wish.

19 June 2012

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”, “connected person(s)”, “controlling shareholder(s)”, “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“COHL”	China Overseas Holdings Limited, a company incorporated in Hong Kong with limited liability, is a wholly owned subsidiary of CSCECL;
“COHL Construction Engagement Agreement”	the engagement agreement entered into between CSC and COHL on 20 September 2011 in respect of the engagement of the CSC Group as contractor (on the basis of “Build-Transfer” mode) for the COHL Group’s construction of housing and infrastructure in relation to urban-rural coordination projects in the PRC; details of which are mentioned in the announcement dated 20 September 2011 issued by CSC regarding continuing connected transactions with COHL;
“COHL Group”	COHL and its subsidiaries (excluding CSC Group) from time to time;
“COLI”	China Overseas Land & Investment Ltd., a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 688);
“COLI Group”	COLI and its subsidiaries from time to time;
“Company”	Far East Global Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 830), is a non-wholly owned subsidiary of CSC;
“CSC”	China State Construction International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 3311), is a non-wholly owned subsidiary of CSCECL;
“CSC Group”	CSC and its subsidiaries from time to time;
“CSC Transactions Independent Shareholders”	Shareholder(s), other than CSC and its associates;

DEFINITIONS

“CSC Works Cap”	the maximum total contract sum of the contracts for provision of contracting and engineering works, project consultancy service and project management service that may be awarded by the CSC Group (excluding the Group) to the Group (as subcontractor of the CSC Group (excluding the Group)) for each year/period under the FE-CSC Sub-construction Engagement Agreement;
“CSCECL”	中國建築股份有限公司 (China State Construction Engineering Corporation Limited), a joint stock company incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601668), is a non-wholly owned subsidiary of 中國建築工程總公司 (China State Construction Engineering Corporation);
“CSCECL Group”	CSCECL and its subsidiaries (excluding CSC Group and COLI Group) from time to time;
“CSCECL Sub-construction Engagement Agreement”	the engagement agreement entered into between CSC and CSCECL on 20 September 2011 in respect of the engagement by the CSCECL Group (excluding COHL Group) of the CSC Group as construction sub-contractor, project management contractor, project consultant and/or construction material supplier for the construction works of the CSCECL Group (excluding COHL Group); details of which are mentioned in the announcement dated 20 September 2011 issued by CSC regarding continuing connected transactions with CSCECL;
“CSCECL Transactions Independent Shareholders”	Shareholder(s), other than CSCECL and its associates;
“CSCECL Works Cap”	the maximum total contract sum of the contracts for provision of Exterior Facade Works that may be awarded by the CSCECL Group to the Group (as subcontractor of the CSCECL Group) for each year/period under the FE-CSCECL Sub-construction Engagement Agreement;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held 16th Floor, Eight Commercial Tower, No. 8 Sun Yip Street, Chai Wan, Hong Kong on Friday, 6 July 2012 at 3:00 p.m., notice of which is set out on pages 33 to 35 of this circular, or any adjournment thereof;
“Exterior Facade Works”	contracting service, supply, project consultancy service and project management service in relation to exterior facade works;

DEFINITIONS

“FE-CSC Sub-construction Engagement Agreement”	the engagement agreement entered into between the Company and CSC on 11 June 2012 in respect of the engagement of members of the Group by members of the CSC Group (excluding the Group) as subcontractor of the CSC Group (excluding the Group) for provision of contracting and engineering works, project consultancy service and project management service to construction works of the CSC Group (excluding the Group) from time to time;
“FE-CSCECL Sub-construction Engagement Agreement”	the engagement agreement entered into between CSCECL and the Company on 11 June 2012 in respect of the engagement of members of the Group by members of the CSCECL Group as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group’s construction works from time to time;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board, consisting of Mr. Zhou Jinsong, Mr. Yen Homer Shih Hung and Mr. Hong Winn, all being Independent Non-executive Directors;
“Independent Financial Adviser” or “SWCL”	South West Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the entering into of the FE-CSCECL Sub-construction Engagement Agreement and the FE-CSC Sub-construction Engagement Agreement, and a licensed corporation registered under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities;
“Independent Shareholders”	CSCECL Transactions Independent Shareholders (in respect of the FE-CSCECL Sub-construction Engagement Agreement) and/or CSC Transactions Independent Shareholders (in respect of the FE-CSC Sub-construction Engagement Agreement);
“Latest Practicable Date”	15 June 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein, as the case may be;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Macau”	the Macao Special Administrative Region of the PRC;
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	shareholder(s) of the Company from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	collectively, the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement; and
“%”	per cent.

LETTER FROM THE BOARD



遠東環球集團有限公司
FAR EAST GLOBAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 830)

Chairman and Non-executive Director:

Mr. ZHOU Yong

Executive Directors:

Dr. CHEONG Chit Sun (*Vice Chairman and Chief Executive Officer*)

Mr. KO Chuk Kin, Herbert

Mr. CHAN Sim Wang

Non-executive Directors:

Mr. HUANG Brad

Mr. HUNG Cheung Shew

Independent Non-executive Directors:

Mr. ZHOU Jinsong

Mr. YEN Homer Shih Hung

Mr. HONG Winn

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Head office and principal place of business in Hong Kong:

16th Floor, Eight Commercial Tower

No. 8 Sun Yip Street

Chai Wan

Hong Kong

19 June 2012

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
(1) PROVISION OF EXTERIOR FACADE WORKS TO
中國建築股份有限公司
(CHINA STATE CONSTRUCTION ENGINEERING CORPORATION LIMITED)
AND
(2) PROVISION OF CONTRACTING AND ENGINEERING WORKS, PROJECT
CONSULTANCY SERVICE AND PROJECT MANAGEMENT SERVICE TO
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 11 June 2012 in respect of, among other things, on 11 June 2012, the Company and CSCECL entered into the FE-CSCECL

LETTER FROM THE BOARD

Sub-construction Engagement Agreement, whereby the CSCECL Group may engage the Group as its subcontractor for provision of Exterior Facade Works to the CSCECL Group's construction works for the period commencing from 16 July 2012 and ending on 30 June 2015 subject to CSCECL Works Cap.

Reference is also made to the announcement of the Company dated 11 June 2012 in respect of, among other things, on 11 June 2012, the Company and CSC entered into the FE-CSC Sub-construction Engagement Agreement, whereby the CSC Group (excluding the Group) may engage the Group as subcontractor of the CSC Group (excluding the Group) for provision of contracting and engineering works, project consultancy service and project management service to construction works of the CSC Group (excluding the Group) for the period commencing from 16 July 2012 and ending on 30 June 2015 subject to CSC Works Cap.

The purpose of this circular is to provide you with, among other things,

- the particulars of (i) the FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) and (ii) the FE-CSC Sub-construction Engagement Agreement (together with the CSC Works Cap);
- the letter from the Independent Board Committee with their view on (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap), and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap); and
- the letter from SWCL with their advice on (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap), and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap) to the Independent Board Committee and the Independent Shareholders,

as well as to seek the approval of the Independent Shareholders in respect of the entering into of (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap), and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap).

LETTER FROM THE BOARD

FE-CSCECL SUB-CONSTRUCTION ENGAGEMENT AGREEMENT

The Company expects that the CSCECL Group may engage the Group as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works from time to time. In this connection, on 11 June 2012, CSCECL and the Company entered into the FE-CSCECL Sub-construction Engagement Agreement for the period commencing from 16 July 2012 and ending on 30 June 2015 whereby the parties agreed that:

- (a) any member of the Group may act as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works in accordance with the applicable subcontracting procedures of the CSCECL Group from time to time;
- (b) the parties may from time to time enter into further specific contracts, which set out the detailed terms in relation to the engagement of the member of the Group to act as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works, provided that the total contract sum that may be awarded by the CSCECL Group to the Group under the FE-CSCECL Sub-construction Engagement Agreement for the period between 16 July 2012 and 31 December 2012 shall not exceed HK\$400 million, for each of the two years ending 31 December 2014 shall not exceed HK\$800 million, and for the period between 1 January 2015 and 30 June 2015 shall not exceed HK\$400 million (i.e. the CSCECL Works Cap). The terms of the specific contracts will be negotiated on an arm's length basis between the parties; and
- (c) the fees payable by the CSCECL Group to the Group will be settled pursuant to the payment terms set out in the the specific contracts.

As at the Latest Practicable Date, the Group has not been engaged in any works by the CSCECL Group. The CSCECL Works Cap is calculated with reference to the total estimated contract sum of Exterior Facade Works required by the CSCECL Group's construction works in the period commencing from 16 July 2012 and ending on 30 June 2015, estimated with reference to the CSCECL Group's future growth and expansion for such period.

The contract sums under the FE-CSCECL Sub-construction Engagement Agreement will be satisfied by the CSCECL Group from its internal resources.

The FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) will take effect conditional upon the approval of CSCECL Transactions Independent Shareholders having been obtained at the EGM.

Reasons for the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement

The Company has expertise in Exterior Facade Works. The Directors consider that the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement will allow the Company to maximise the profits and bring synergy effect to both the Company and CSCECL; thereby facilitating the expansion of the Company's businesses.

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The Directors (including the Independent Non-executive Directors whose views have been set out in this circular together with the advice of the Independent Financial Adviser) consider that the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement are expected to be entered into in the ordinary and usual course of business of the Group, and the FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement (together with the CSCECL Works Cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reference is made to the announcement dated 20 September 2011 and the circular dated 7 October 2011 (both issued by CSC) in relation to, among others, the CSCECL Sub-construction Engagement Agreement entered into between CSC and CSCECL, whereby the CSCECL Group (excluding COHL Group) may engage the CSC Group as construction sub-contractor, project management contractor, project consultant and/or construction material supplier for the construction works of the CSCECL Group (excluding COHL Group) upon successful tender for a term of three years commencing from 1 November 2011 and ending on 31 October 2014. For clarification purposes, any engagement of the Group pursuant to the FE-CSCECL Sub-construction Engagement Agreement will not be subject to the provisions of the CSCECL Sub-construction Engagement Agreement. The maximum total contract sums that may be awarded under the CSCECL Sub-construction Engagement Agreement for each year/period are separate and distinct from the CSCECL Works Cap.

Reference is also made to the announcement dated 20 September 2011 and the circular dated 7 October 2011 (both issued by CSC) in relation to, among others, the COHL Construction Engagement Agreement entered into between CSC and COHL, whereby the COHL Group may engage the CSC Group as contractor (on the basis of "Build-Transfer" mode) for the COHL Group's construction of housing and infrastructure in relation to urban-rural coordination projects in the PRC upon successful tender for a term of three years commencing from 1 November 2011 and ending on 31 October 2014. For clarification purposes, any engagement of the Group pursuant to the FE-CSCECL Sub-construction Engagement Agreement will not be subject to the provisions of the COHL Construction Engagement Agreement. The maximum total contract sums that may be awarded under the COHL Construction Engagement Agreement for each year/period are separate and distinct from the CSCECL Works Cap.

Listing Rules implications

CSCECL is the intermediate holding company of CSC, of which the Company is a non-wholly owned subsidiary. Accordingly, members of the CSCECL Group are connected persons of the Company. The transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement between members of the CSCECL Group on the one hand, and members of the Group on the other hand, constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSCECL Sub-construction Engagement Agreement (i.e. the CSCECL Works Cap) exceed 5%, the transactions

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contemplated under the FE-CSCECL Sub-construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements. Voting at the EGM will be conducted by poll and CSCECL and its associates will abstain from voting at the EGM.

FE-CSC SUB-CONSTRUCTION ENGAGEMENT AGREEMENT

The Company expects that the CSC Group (excluding the Group) may engage the Group as its subcontractor for provision of contracting and engineering works, project consultancy service and project management service to construction works of the CSC Group (excluding the Group) from time to time. In this connection, on 11 June 2012, the Company and CSC entered into the FE-CSC Sub-construction Engagement Agreement for the period commencing from 16 July 2012 and ending on 30 June 2015 whereby the parties agreed that:

- (a) any member of the Group may act as subcontractor of the CSC Group (excluding the Group) for provision of contracting and engineering works, project consultancy service and project management service to construction works of the CSC Group (excluding the Group) in accordance with the applicable subcontracting procedures of the CSC Group (excluding the Group) from time to time;
- (b) the parties may from time to time enter into further specific contracts, which set out the detailed terms in relation to the engagement of the member of the Group to act as subcontractor of the CSC Group (excluding the Group) for provision of contracting and engineering works, project consultancy service and project management service to construction works of the CSC Group (excluding the Group), provided that the total contract sum that may be awarded by the CSC Group (excluding the Group) to the Group under the FE-CSC Sub-construction Engagement Agreement for the period between 16 July 2012 and 31 December 2012 shall not exceed HK\$400 million, for each of the two years ending 31 December 2014 shall not exceed HK\$800 million, and for the period between 1 January 2015 and 30 June 2015 shall not exceed HK\$400 million (i.e. the CSC Works Cap). The terms of the specific contracts will be negotiated on an arm's length basis between the parties; and
- (c) the fees payable by the CSC Group (excluding the Group) to the Group will be settled pursuant to the payment terms set out in the specific contracts.

The CSC Works Cap is calculated with reference to the following factors:

- (i) total contract sum awarded for the contracting and engineering works, project consultancy service and project management service provided by the Group to the construction works of the CSC Group (excluding the Group) in each of the past three financial years ended 31 December 2011 of approximately HK\$87 million, nil and nil respectively; and
- (ii) total estimated contract sum of contracting and engineering works, project consultancy service and project management service required by the construction works of the CSC Group (excluding the Group) in the period commencing from 16 July 2012 and ending on 30 June 2015, estimated with reference to the future growth and expansion of the CSC Group (excluding the Group) for such period.

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The contract sums under the FE-CSC Sub-construction Engagement Agreement will be satisfied by the CSC Group (excluding the Group) from its internal resources.

The FE-CSC Sub-construction Engagement Agreement (together with the CSC Works Cap) will take effect conditional upon the approval of CSC Transactions Independent Shareholders having been obtained at the EGM.

Reasons for the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement

The Directors consider that the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement will allow the Company to maximise profits and bring synergy effect to both the Company and CSC; thereby facilitating the expansion of the Company's businesses.

The Directors (including the Independent Non-executive Directors whose views have been set out in this circular together with the advice of the Independent Financial Adviser) consider that the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement are expected to be entered into in the ordinary and usual course of business of the Group, and the FE-CSC Sub-construction Engagement Agreement (together with the CSC Works Cap) has been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement (together with the CSC Works Cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules implications

CSC is indirectly interested in approximately 74.1% of the issued share capital and is the controlling shareholder of the Company. Accordingly, members of the CSC Group (excluding the Group) are connected persons of the Company. The transactions contemplated under the FE-CSC Sub-construction Engagement Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSC Sub-construction Engagement Agreement (i.e. the CSC Works Cap) exceed 5%, the transactions contemplated under the FE-CSC Sub-construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements for the Company. Voting at the EGM will be conducted by poll and CSC and its associates will abstain from voting at the EGM.

GENERAL

The Group mainly engages in the contracting and engineering business, including design, engineering, manufacture, installation, maintenance, project consultancy and management services. Currently, the major products of the Group are exterior facade systems primarily made of fabricated aluminium cladding, stainless steel and glass.

LETTER FROM THE BOARD

The CSCECL Group is a contractor mainly participating in the PRC construction market.

The CSC Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy services.

The Independent Board Committee comprising all the Independent Non-executive Directors has been formed to advise the Independent Shareholders in respect of the transactions contemplated under (i) the FE-CSCECL Sub-construction Engagement Agreement and (ii) the FE-CSC Sub-construction Engagement Agreement. The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM of the Company to be held at 16th Floor, Eight Commercial Tower, No. 8 Sun Yip Street, Chai Wan, Hong Kong on 6 July 2012 at 3:00 p.m. is set out on pages 33 to 35 of this circular. The ordinary resolutions will be proposed to the Independent Shareholders at the EGM to consider and, if thought fit, to approve (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap) and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap).

A form of proxy for the EGM is enclosed with this circular. Whether or not you will be able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjourned meeting (as the case may be) should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, voting at the EGM will be conducted by poll. As at the Latest Practicable Date, CSCECL and its associates, in aggregate holding 1,596,403,279 shares of the Company, representing approximately 74.1% of the issued share capital of the Company, will abstain from voting at the EGM on the resolution relating to the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap). In addition, as at the Latest Practicable Date, CSC and its associates, in aggregate holding 1,596,403,279 shares of the Company, representing approximately 74.1% of the issued share capital of the Company, will abstain from voting at the EGM on the resolution relating to the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap).

As at the Latest Practicable Date, four Directors, namely, Mr. Zhou Yong, Dr. Cheong Chit Sun, Mr. Chan Sim Wang and Mr. Hung Cheung Shew (collectively, the "**Common Directors**"), also held directorships in CSC and/or CSC's subsidiaries. Other than their interests in CSC as disclosed under section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in the appendix to this circular (which in aggregate is less than 0.3% of the

LETTER FROM THE BOARD

issued shares of CSC), none of the Common Directors has any other personal interests in the Transactions. The Company considers that the interests of the Common Directors in the Transactions and in the Company are insignificant, and thus the Common Directors are not regarded to have material interests in the Transactions. In addition, none of the Directors are directors of CSCECL. Since none of the Directors has a material interest in the Transactions, no Director was required to abstain from voting on the board resolutions approving the Transactions. The results of the voting will be announced in accordance with Rule 2.07C of the Listing Rules after the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of the EGM, the register of members of the Company will be closed on 6 July 2012 and no share transfers will be effected on that day.

In order to qualify for attending the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 5 July 2012.

RECOMMENDATION

Your attention is drawn to the letter of advice from the Independent Board Committee set out on pages 14 to 15 in this circular which contains its recommendation to the Independent Shareholders in relation to (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap) and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap).

Your attention is also drawn to the letter from the Independent Financial Adviser set out on pages 16 to 27 in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap) and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap).

The Directors (including the Independent Non-executive Directors whose views have been set out in this circular together with the advice of the Independent Financial Adviser) consider that the FE-CSCECL Sub-construction Engagement Agreement and the FE-CSC Sub-construction Engagement Agreement (together with the CSCECL Works Cap and the CSC Works Cap) have been entered into on normal commercial terms, and the terms of the Transactions (together with the CSCECL Works Cap and the CSC Works Cap) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of all the ordinary resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular and the notice of the EGM.

Yours faithfully
By Order of the Board
Far East Global Group Limited
Zhou Yong
Chairman and Non-executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



遠東環球集團有限公司
FAR EAST GLOBAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 830)

19 June 2012

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
(1) PROVISION OF EXTERIOR FACADE WORKS TO
中國建築股份有限公司
(CHINA STATE CONSTRUCTION ENGINEERING CORPORATION LIMITED)
AND
(2) PROVISION OF CONTRACTING AND ENGINEERING WORKS, PROJECT
CONSULTANCY SERVICE AND PROJECT MANAGEMENT SERVICE TO
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED**

We refer to the circular dated 19 June 2012 (the “**Circular**”) issued by the Company to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether, in its opinion, (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap) and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. SWCL has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap) and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap).

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 13 of the Circular and the text of a letter of advice from SWCL, as set out on pages 16 to 27 of the Circular,

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

both of which provide details of (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap) and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap).

Having considered (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap), (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap), (iii) the advice of SWCL, and (iv) the relevant information contained in the letter from the Board, we are of the opinion that (i) the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSCECL Works Cap) and (ii) the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder (together with the CSC Works Cap) are on normal commercial terms and are fair and reasonable and it is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM.

Yours faithfully,

For and on behalf of

**The Independent Board Committee of
Far East Global Group Limited**

ZHOU Jinsong

*Independent Non-executive
Director*

YEN Homer Shih Hung

*Independent Non-executive
Director*

HONG Winn

*Independent Non-executive
Director*

LETTER FROM SWCL

The following is the full text of the letter of advice from South West Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement and the FE-CSC Sub-construction Engagement Agreement, which has been prepared for the purpose of inclusion in this circular.



Unit 1101-02, 11/F
Euro Trade Centre
13-14 Connaught Road,
Central, Hong Kong

19 June 2012

To the Independent Board Committee and the Independent Shareholders

Dear Sir / Madam,

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
(1) PROVISION OF EXTERIOR FACADE WORKS TO
中國建築股份有限公司
(CHINA STATE CONSTRUCTION ENGINEERING CORPORATION LIMITED)
AND
(2) PROVISION OF CONTRACTING AND ENGINEERING WORKS, PROJECT
CONSULTANCY SERVICE AND PROJECT MANAGEMENT SERVICE TO
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED**

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions (“Continuing Connected Transactions”) contemplated under the FE-CSCECL Sub-construction Engagement Agreement and the FE-CSC Sub-construction Engagement Agreement (collectively, “Agreements”), details of which are set out in the “Letter from the Board” contained in the circular of the Company dated 19 June 2012 to the Independent Shareholders (the “Circular”), of which this letter form part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 11 June 2012, CSCECL and the Company entered into the FE-CSCECL Sub-construction Engagement Agreement, whereby the CSCECL Group may engage the Group as its subcontractor for provision of Exterior Facade Works to the CSCECL Group’s construction works for the period commencing from 16 July 2012 and ending on 30 June 2015 subject to CSCECL Works Cap. On the same day, the Company and CSC entered into the FE-CSC Sub-construction Engagement

LETTER FROM SWCL

Agreement, whereby the CSC Group (excluding the Group) may engage the Group as subcontractor of the CSC Group (excluding the Group) for provision of contracting and engineering works, project consultancy service and project management service to the construction works of the CSC Group (excluding the Group) for the period commencing from 16 July 2012 and ending on 30 June 2015 subject to CSC Works Cap.

CSCECL is the intermediate holding company of CSC, of which the Company is a non-wholly owned subsidiary. CSC is indirectly interested in approximately 74.1% of the issued share capital and is the controlling shareholder of the Company. Accordingly, members of the CSCECL Group and the CSC Group (excluding the Group) are connected persons of the Company. The transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement and the FE-CSC Sub-construction Engagement Agreement between members of the CSCECL Group and the CSC Group on the one hand and members of the Company on the other hand, constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

For the Company, since the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSCECL Sub-construction Engagement Agreement (i.e. the CSCECL Works Cap) exceed 5%, and the applicable percentage ratios as defined in Rule 14A.10 of the Listing Rules in respect of the maximum total contract sum that may be awarded for each year/period under the FE-CSC Sub-construction Engagement Agreement (i.e. the CSC Works Cap) exceed 5% as well, the Continuing Connected Transactions contemplated under the FE-CSCECL Sub-construction Engagement Agreement and the FE-CSC Sub-construction Engagement Agreement are subject to the annual review, reporting, announcement and independent shareholders' approval requirements. Voting at the EGM will be conducted by poll and CSCECL and its associates (in respect of FE-CSCECL Sub-construction Engagement Agreement), and CSC and its associates (in respect of FE-CSC Sub-construction Engagement Agreement) will abstain from voting at the EGM.

The Independent Board Committee comprising all Independent Non-executive Directors, namely Mr. Zhou Jinsong, Mr. Yen Homer Shih Hung, and Mr. Hong Winn, has been established to advise the Independent Shareholders in respect of the Continuing Connected Transactions.

In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders as to whether the Agreements were entered into in the ordinary and usual course of business of the Company, the terms of the Agreements were agreed on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole; and to give independent advice to the Independent Board Committee and the Independent Shareholders.

We are independent from, and are not associated with the Company or any other parties to the Continuing Connected Transactions, or their respective substantial shareholder(s) or connected person(s), as defined under the Listing Rules and accordingly, are considered eligible to give independent advice to the Independent Board Committee and the Independent Shareholders. Apart

LETTER FROM SWCL

from normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or any other parties to the Continuing Connected Transactions or any of its subsidiaries or their respective associates.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the accuracy of the information, opinions and representations contained or referred to in the Circular and provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, opinions and representations contained or referred to in the Circular were true and accurate in all material respects at the time when they were made and continued to be true and accurate in all material respects as at the date of the Circular. We have also assumed that all statements of belief, opinion and intention made by the Directors and management of the Company in the Circular were reasonably made after due enquiries and considerations. We have no reason to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We consider that we have reviewed sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular to provide a reasonable basis for our opinions and recommendations. The Directors have confirmed that having made all reasonable enquiries, to the best of their knowledge, there are no other matters the omission of which would make any statement in the Circular misleading.

We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion to Independent Board Committee in respect of the Continuing Connected Transactions, we have taken into consideration the following principal factors and reasons:

1. Background of the Company, CSCECL Group and CSC Group

(a) *The business of the Company*

As stated in the Letter from the Board, the Group mainly engages in the contracting and engineering business, including design, engineering, manufacture, installation, maintenance, project consultancy and management services. Currently, the major products of the Group are exterior facade systems primarily made of fabricated aluminum cladding, stainless steel and glass.

(b) *The business of CSCECL Group*

As stated in the Letter from the Board, the CSCECL Group is a contractor mainly participating in the PRC construction market. According to the 2011 Annual Report of CSCECL, its total revenue increased by approximately 30.3% to approximately RMB482.8 billion for the year ended 31 December 2011, in which, approximately 76.2% was related to building construction for the year ended 31 December 2011.

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(c) *The business of CSC Group*

As stated in the Letter from the Board, the CSC Group is principally engaged in building construction, civil engineering works, infrastructure investment and project consultancy services. According to the 2011 Annual Report of CSC, the construction business recorded growth in new projects awarded, revenue and segment profits. The revenue contributed from the CSC Group's construction business was approximately HK\$12.5 billion representing increment of 44.7%.

2. Reasons and benefits for the Continuing Connected Transactions

As mentioned in the 2011 Annual Report of the Company, the Board believed that CSC's emergence as controlling shareholder of the Group has very positive and long-lasting effects on the Group. There was potential growth in the PRC curtain wall market driven by rapid urbanization and the PRC government's policies under its "Twelfth Five Years Plan" to boost the development of infrastructure and construction. As stated in the 2011 Annual Report of the Company, the revenue from Hong Kong and the PRC (excluding Hong Kong) accounted for 19.92% and 10.19% of the total revenue. The Company expects that the CSC Group (excluding the Group) may engage the Group as its subcontractor for provision of contracting and engineering works, project consultancy service and project management service to the construction works of the CSC Group (excluding the Group) from time to time while the CSCECL group may engage the Group as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works from time to time.

The Company has expertise in Exterior Facade Works. The directors of CSC (for FE-CSCECL Sub-construction Engagement Agreement only) and the Company consider that the Continuing Connected Transactions will allow the Group to maximise the profits and bring synergy effect to both the Group and CSCECL (for FE-CSCECL Sub-construction Engagement Agreement only); thereby facilitating the expansion of businesses of the Group.

As stated in the Letter from the Board, reference is made to the announcement dated 20 September 2011 and the circular dated 7 October 2011 (both issued by CSC) in relation to, among others, the CSCECL Sub-construction Engagement Agreement entered into between CSC and CSCECL, whereby the CSCECL Group (excluding COHL Group) may engage the CSC Group as construction sub-contractor, project management contractor, project consultant and/or construction material supplier for the construction works of the CSCECL Group (excluding COHL Group) upon successful tender for a term of three years commencing from 1 November 2011 and ending on 31 October 2014. For clarification purposes, any engagement of the Group pursuant to the FE-CSCECL Sub-construction Engagement Agreement will not be subject to the provisions of the CSCECL Sub-construction Engagement Agreement. The maximum total contract sums that may be awarded under the CSCECL Sub-construction Engagement Agreement for each year/period are separate and distinct from the CSCECL Works Cap.

As stated in the Letter from the Board, reference is also made to the announcement dated 20 September 2011 and the circular dated 7 October 2011 (both issued by CSC) in relation to, among others, the COHL Construction Engagement Agreement entered into between CSC and COHL, whereby the COHL Group may engage the CSC Group as contractor (on the basis of "Build-Transfer" mode) for the COHL Group's construction of housing and infrastructure in relation to urban-rural

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coordination projects in the PRC upon successful tender for a term of three years commencing from 1 November 2011 and ending on 31 October 2014. For clarification purposes, any engagement of the Group pursuant to the FE-CSCECL Sub-construction Engagement Agreement will not be subject to the provisions of the COHL Construction Engagement Agreement. The maximum total contract sums that may be awarded under the COHL Construction Engagement Agreement for each year/period are separate and distinct from the CSCECL Works Cap.

Taking into account of the above and (i) the Continuing Connected Transactions contemplated under the Agreements are in line with the existing business activities of the Group; (ii) the Continuing Connected Transactions provide a good opportunity for the Company to expand its business; and (iii) each of the Agreements itself do not impose any contractual obligation on the Group to sign any definitive agreements with either the CSCECL Group or the CSC Group, we are of the view that the entering into the Agreements are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

3. The Major Terms of the Agreements

(a) The FE-CSCECL Sub-construction Engagement Agreement

Under the FE-CSCECL Sub-construction Engagement Agreement for the period commencing from 16 July 2012 and ending on 30 June 2015 whereby the parties agreed, among other things, that:

- (i) any member of the Group may act as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works in accordance with the applicable subcontracting procedures of the CSCECL Group from time to time;
- (ii) the parties may from time to time enter into further specific contracts, which set out the detailed terms in relation to the engagement of the member of the Group to act as subcontractor of the CSCECL Group for provision of Exterior Facade Works to the CSCECL Group's construction works, provided that the total contract sum that may be awarded by the CSCECL Group to the Group under the FE-CSCECL Sub-construction Engagement Agreement for the period between 16 July 2012 and 31 December 2012 shall not exceed HK\$400 million, for each of the two years ending 31 December 2014 shall not exceed HK\$800 million, and for the period between 1 January 2015 and 30 June 2015 shall not exceed HK\$400 million (i.e. the CSCECL Works Cap). The terms of the specific contracts will be negotiated on an arm's length basis between the parties; and
- (iii) the fees payable by the CSCECL Group to the Group will be settled pursuant to the payment terms set out in the specific contracts.

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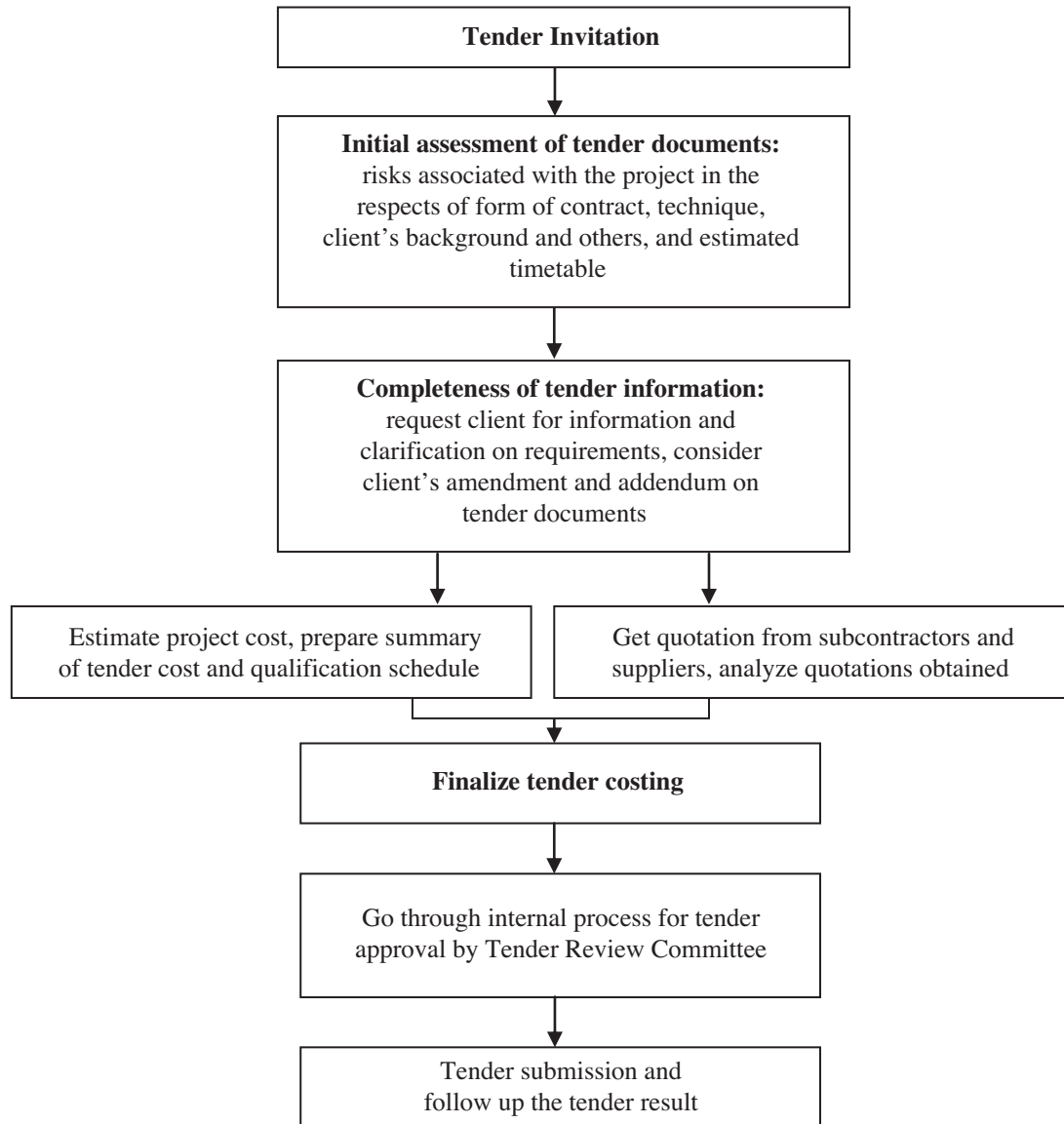
(b) The FE-CSC Sub-construction Engagement Agreement

Under the FE-CSC Sub-construction Engagement Agreement for the period commencing from 16 July 2012 and ending on 30 June 2015 whereby the parties agreed, among other things, that:

- (i) any member of the Group may act as subcontractor of the CSC Group (excluding the Group) for provision of contracting and engineering works, project consultancy service and project management service to construction works of the CSC Group (excluding the Group) in accordance with the applicable subcontracting procedures of the CSC Group (excluding the Group) from time to time;
- (ii) the parties may from time to time enter into further specific contracts, which set out the detailed terms in relation to the engagement of the member of the Group to act as subcontractor of the CSC Group (excluding the Group) for provision of contracting and engineering works, project consultancy service and project management service to construction works of the CSC Group (excluding the Group), provided that the total contract sum that may be awarded by the CSC Group (excluding the Group) to the Group under the FE-CSC Sub-construction Engagement Agreement for the period between 16 July 2012 and 31 December 2012 shall not exceed HK\$400 million, for each of the two years ending 31 December 2014 shall not exceed HK\$800 million, and for the period between 1 January 2015 and 30 June 2015 shall not exceed HK\$400 million (i.e. the CSC Works Cap). The terms of the specific contracts will be negotiated on an arm's length basis between the parties; and
- (iii) the fees payable by the CSC Group (excluding the Group) to the Group will be settled pursuant to the payment terms set out in the specific contracts.

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As confirmed by the management of the Company, the Group has maintained a systematic tender review procedure (“Tender Review Process”) to review the feasibility and profitability of invitations to tender received by the Group, and to decide the contents and pricing terms of the proposed tender. To form our view on whether the pricing basis of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned, we discussed with the management of the Company about the Group’s Tender Review Process. The Tender Review Process generally is as follow:



As confirmed by the management of the Company, the above review process is applicable to either invitation to tender received by the Group from the CSCECL Group, the CSC Group (excluding the Group) or such from other independent third parties, save for the business conducted by Red Holdings Group, Inc. in North America. To the best knowledge of the management of the Company, the Tender Review Process is in line with the market practice. Therefore, the Directors consider that

LETTER FROM SWCL

the pricing basis of the Continuing Connected Transactions are fair and reasonable and on normal commercial terms by way of the above Tender Review Process. As confirmed by the management of the Company, (i) the tender review committee under the Tender Review Process (“Tender Review Committee”) is currently comprised of five members, (a) vice chairman of the Board, executive Director and chief executive officer of the Company, (b) vice president of operation, (c) executive Director and president of Asian curtain wall business, (d) marketing director, and (e) estimating manager; and (ii) the members in the Tender Review Committee are not current directors or senior management of the CSCECL Group or the CSC Group (excluding the Group), save as member A (as disclosed below).

To ascertain the independence of the members of the Tender Review Committee, we have obtained and reviewed the list of the Tender Review Committee, including their names and positions within the Group, the CSC Group and the CSCECL Group. One of the Tender Review Committee members (“member A”), being vice chairman of the Board, executive Director and chief executive officer of the Company, was executive director of the CSC from October 2005 to March 2012, and is non-executive director of the CSC since March 2012. Member A will be abstained from voting on tenders related to the CSC Group (excluding the Group) and / or the CSCECL Group. Another member of the Tender Review Committee (“member B”), being vice president of operation, was on a managerial position of certain subsidiaries of the CSC Group (excluding the Group) before joining the Group and ceased to be the director of certain subsidiaries of the CSC Group (excluding the Group) before the Latest Practicable Date. The management of the Company believes that member B is independent from the CSC Group (excluding the Group) and the CSCECL Group given the past role and position of member B in the CSC Group (excluding the Group). We concur with the view of the Company that member B is not required to abstain from voting on tenders related to the CSC Group (excluding the Group) and / or the CSCECL Group. Save as member A and member B, none of the remaining three members of the Tender Review Committee holds any position in the CSC Group (excluding the Group), the CSCECL Group and its connected persons as at the Latest Practicable Date.

To ascertain the feasibility and profitability of invitations to tender received by the Tender Review Committee, we have reviewed some sample tender reports of the Group which had been reviewed by the Tender Review Committee. We further understand that the Tender Review Committee may approve or reject an invitation to tender based on the analysis result after the tender review process. In addition, the Tender Review Committee is also responsible to decide the contents and pricing term of the proposed tender.

Based on our reviews and confirmation from the management of the Company, we understand that save as member A as disclosed above, all members of Tender Review Committee are not current directors or senior management of the CSCECL Group and/or the CSC Group (excluding the Group), therefore, we consider that the members of the Tender Review Committee have sufficient independence to review terms of transactions involved the CSCECL Group and/or the CSC Group (excluding the Group). We further concur with the view that the arrangement for member A to abstain from voting on tenders related to the CSC Group (excluding the Group) and / or the CSCECL Group is sufficient to ensure the independence of the Tender Review Committee, and ensure that the Tender Review Committee is able to act in the interest of the Company and the Independent Shareholders as a whole.

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4. The CSCECL Works Cap and the CSC Works Cap

(a) Overview

The Continuing Connected Transactions are subject to Listing Rules requirements and conditions as more particularly discussed under the section headed “Requirements of the Listing Rules on the Continuing Connected Transactions” below. In particular, the Continuing Connected Transactions are subject to the proposed related cap as discussed below.

As stated in the Letter from the Board, the total contract sum that may be awarded by the CSCECL Group under the FE-CSCECL Sub-construction Engagement Agreement and by the CSC Group (excluding the Group) under the FE-CSC Sub-construction Engagement Agreement for the period commencing from 16 July 2012 and ending on 30 June 2015 shall not exceed certain amounts, as illustrated in the table below.

Table I — the CSCECL Works Cap and the CSC Works Cap

	The period between 16 July 2012 and 31 December 2012 (HK\$ million)	Year ending 31 December 2013 (HK\$ million)	Year ending 31 December 2014 (HK\$ million)	The period between 1 January 2015 and 30 June 2015 (HK\$ million)
The CSCECL Works Cap	400	800	800	400
The CSC Works Cap	400	800	800	400

(b) Assessment of the CSCECL Works Cap and CSC Works Cap

In assessing the reasonableness of the CSCECL Works Cap and CSC Works Cap, we have discussed with the management of the Company regarding the relevant underlying principal assumptions and the bases adopted for the determination of the CSCECL Works Cap and CSC Works Cap.

(i) The CSCECL Works Cap

As stated in the Letter from the Board, the CSCECL Works Cap is calculated with the reference to the total estimated contract sum of Exterior Facade Works required by the CSCECL Group’s construction works in the period commencing from 16 July 2012 and ending on 30 June 2015, estimated with reference to the CSCECL Group’s future growth and expansion for such period.

As at the Latest Practicable Date, the Group has not been engaged in any works by the CSCECL Group. As advised by the management of the Company, the CSCECL Group is one of the largest state-owned construction groups in the PRC. According to its 2011 Annual Report of

LETTER FROM SWCL

CSCECL, the total revenue of CSCECL for the year ended 31 December 2011 amounted to approximately RMB482.8 billion, up approximately 30.3% from the year ended 31 December 2010. Its total new contract sum of construction contracts reached to approximately RMB856.6 billion for the year ended 31 December 2011. On 8 May 2012, CSCECL announced the signing of memorandum of understanding of general contracting for EPC works for phase 1 of a property project in Abu Dhabi. CSCECL will be the general contractor of this EPC works with total investment of US\$2 billion (<http://www.sse.com.cn>).

We are further advised by the management of the Company, the CSCECL Group does not have concrete timetable to invite contractors, including the Group, to tender for Exterior Facade Works. Therefore, as advised by the management of the Company, the Company set CSCECL Works Cap: (i) for the period between 16 July 2012 and 31 December 2012 not exceeding HK\$400 million; (ii) for each of the two years ending 31 December 2014 not exceeding HK\$800 million; and (iii) for the period between 1 January 2015 and 30 June 2015 not exceeding HK\$400 million, with reference to (a) the new projects on hand of the CSCECL Group; and (b) the Group's resource allocation and business strategy to tender the construction works on Exterior Facade Works of the CSCECL Group.

(ii) *The CSC Works Cap*

As stated in the Letter from the Board, the CSC Works Cap is calculated with the reference to the following factors:

- total contract sum awarded for the contracting and engineering works, project consultancy service and project management service provided by the Group to the construction works of the CSC Group (excluding the Group) in each of the past three financial years ended 31 December 2011 of approximately HK\$87 million, nil and nil respectively; and
- total estimated contract sum of contracting and engineering works, project consultancy service and project management service required by the construction works of the CSC Group (excluding the Group) in the three-year period commencing from 16 July 2012 and ending on 30 June 2015, estimated with reference to the future growth and expansion of the CSC Group (excluding the Group) for such period.

According to its 2011 Annual Report of CSC, the total revenue of CSC Group for the year ended 31 December 2011 amounted to approximately HK\$16.4 billion, representing an increase of approximately 36.7% from the year ended 31 December 2010. Its total new contract sum of construction contracts reached to approximately HK\$12.8 billion for the five months ended 31 May 2012, based on the announcement on the website of the CSC Group (<http://www.csci.com.hk>).

We are further advised by the management of the Company, the CSC Group (excluding the Group) does not have concrete timetable to invite contractors, including the Group, to tender for contracting and engineering works, project consultancy service and project management service. Therefore, as advised by the management of the Company, the Company set CSC Works Cap: (i)

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for the period between 16 July 2012 and 31 December 2012 not exceeding HK\$400 million; (ii) for each of the two years ending 31 December 2014 not exceeding HK\$800 million; and (iii) for the period between 1 January 2015 and 30 June 2015 not exceeding HK\$400 million, with reference to (a) the new projects on hand of the CSC Group (excluding the Group); and (b) the Group's resource allocation and business strategy to tender the construction works on Exterior Facade Works of the CSC Group (excluding the Group).

5. Requirements of the Listing Rules on the Continuing Connected Transactions

Pursuant to Rules 14A.37 to 14A.40 of the Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) each year the Independent Non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts that the Continuing Connected Transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
 - (iii) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report) confirming that the Continuing Connected Transactions:
 - (i) have received the approval of the Board;
 - (ii) are in accordance with the pricing policies of the Group;
 - (iii) have been entered into in accordance with the terms of the relevant agreements governing the Continuing Connected Transactions; and
 - (iv) have not exceeded the CSCECL Works Cap and CSC Works Cap;
- (c) the Company shall allow, and shall procure the relevant counter-parties to the Continuing Connected Transactions shall allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the Continuing Connected Transactions as set out in paragraph (b); and
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

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In light of the reporting requirements attached to the Continuing Connected Transactions, in particular, (i) the restriction of the value of the Continuing Connected Transactions by way of the CSCECL Works Cap and CSC Works Cap; and (ii) the ongoing review by the Independent Non-executive Directors and auditors of the Company on the terms of the Continuing Connected Transactions and the CSCECL Works Cap and CSC Works Cap not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Continuing Connected Transactions and safeguard the interests of the Independent Shareholders.

RECOMMENDATION

Based on the above principal factors and reasons, we are of the opinion that the Agreements, including the CSCECL Works Cap and CSC Works Cap, are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolutions to approve the Agreements as detailed in the notice of EGM set out at the end of the Circular.

Yours faithfully,
For and on behalf of
South West Capital Limited
Helen Zee
Managing Director

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company

Name of Director	Capacity	Number of ordinary shares in the Company held	% of shares in the Company in issue¹
Ko Chuk Kin, Herbert	Beneficial owner	3,825,000	0.177%
Chan Sim Wang	Beneficial owner	50,000	0.002%
Huang Brad	Beneficial owner	10,206,000	0.473%

Note:

1. The percentage is based on the total number of ordinary shares of the Company in issue as at the Latest Practicable Date (i.e. 2,155,545,000 ordinary shares).

Long positions in shares and underlying shares of associated corporation - CSC

Name of Director	Number of ordinary shares in CSC held	Number of underlying shares in CSC held	Total	% of shares in CSC in issue ³
	Personal interests ¹	Share options ²		
Zhou Yong	5,073,780	959,247	6,033,027	0.168
Cheong Chit Sun	2,415,872	—	2,415,872	0.067
Chan Sim Wang	28,800	—	28,800	0.001
Hung Cheung Shew	581,584	—	581,584	0.016

Notes :

1. This represents interests held by the relevant Director as a beneficial owner.
2. The date of grant, exercise price and exercise period of share options of CSC is 14 September 2005, HK\$0.2254 and 14 September 2006 to 13 September 2015 respectively.
3. The percentage is based on the total number of ordinary shares of CSC in issue as at the Latest Practicable Date (i.e. 3,587,310,348 ordinary shares).

Long positions in shares and underlying shares of associated corporation - COLI

Name of Director	Number of ordinary shares in COLI held	Number of underlying shares in COLI held	Total	% of shares in COLI in issue ³
	Personal interests ¹	Share options ²		
Cheong Chit Sun	60,000	—	60,000	0.001
Hung Cheung Shew	10,000	97,095	107,095	0.001

Notes :

1. This represents interests held by the relevant Director as a beneficial owner.
2. The date of grant, exercise price and exercise period of share options of COLI is 18 June 2004, HK\$1.118 and 18 June 2005 to 17 June 2014 respectively.
3. The percentage is based on the total number of ordinary shares of COLI in issue as at the Latest Practicable Date (i.e. 8,172,519,077 ordinary shares).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company held any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, save as disclosed below, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of companies which had such discloseable interest or short position	Position within such companies
Zhou Yong	CSC	vice-chairman, chief executive officer and executive director
	Add Treasure Holdings Limited	director
Hung Cheung Shew	CSC	executive director
Cheong Chit Sun	CSC	non-executive director
	Add Treasure Holdings Limited	director

There is no contract or arrangement subsisting at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any assets which had been, since 31 December 2011 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Group which is not expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, the date to which the latest published audited accounts of the Company were made up.

COMPETING BUSINESS INTERESTS OF DIRECTORS

As at the Latest Practicable Date, four Directors, namely, Mr. Zhou Yong, Dr. Cheong Chit Sun, Mr. Chan Sim Wang and Mr. Hung Cheung Shew, held directorship in CSC, the holding company of the Company, and/or certain CSC's subsidiaries. These companies are engaged in construction and related business.

The Company and CSC are managed by separate boards of directors and management, which are accountable to their respective shareholders. With the presence of appropriate portion of Independent Non-executive Directors in the Board, the Group is capable of carrying on its business independently of, and at arms length from the businesses of CSC and its associates.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, proposed Directors or their respective associates (as if each of them were treated as a controlling shareholder under Rule 8.10 of the Listing Rules) had any competing interests in a business which competes or is likely to compete with the business of the Group.

EXPERT

- (a) The following is the qualification of the expert who had given its opinion and advice which are contained in this circular:

Name	Qualification
SWCL	A licensed corporation registered under the SFO to conduct in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities

- (b) As at the Latest Practicable Date, SWCL had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) SWCL has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they are included.
- (d) As at the Latest Practicable Date, SWCL did not have any direct or indirect interest in any assets which have been, since 31 December 2011 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

(e) The letter of SWCL is given as of the date of this circular for incorporation herein.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the office of the Company at 16th Floor, Eight Commercial Tower, No. 8 Sun Yip Street, Chai Wan, Hong Kong from the date of this circular up to and including 6 July 2012 (except Saturdays and Sundays) and will be available for inspection at the EGM:-

- (a) the FE-CSCECL Sub-construction Engagement Agreement;
- (b) the FE-CSC Sub-construction Engagement Agreement;
- (c) the CSCECL Sub-construction Engagement Agreement; and
- (d) the COHL Construction Engagement Agreement.

NOTICE OF EXTRAORDINARY GENERAL MEETING



遠東環球集團有限公司 FAR EAST GLOBAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 830)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of Far East Global Group Limited (the “**Company**”) will be held at 16th Floor, Eight Commercial Tower, No. 8 Sun Yip Street, Chai Wan, Hong Kong on 6 July 2012 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT :**

- (A) (i) the FE-CSCECL Sub-construction Engagement Agreement (as defined in the circular of the Company dated 19 June 2012 of which this notice forms part (the “**Circular**”)) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified;
- (ii) the CSCECL Works Cap (as defined in the Circular) for the period between 16 July 2012 and 30 June 2015 be and is hereby approved; and
- (B) any one director of the Company (or any two directors of the Company or one director and the secretary of the Company, in the case of execution of documents under seal) be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated in the FE-CSCECL Sub-construction Engagement Agreement and the transactions contemplated thereunder and the implementation thereof including the affixing of seal thereon.”

2. “**THAT :**

- (A) (i) the FE-CSC Sub-construction Engagement Agreement (as defined in the Circular) (a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(ii) the CSC Works Cap (as defined in the Circular) for the period between 16 July 2012 and 30 June 2015 be and is hereby approved; and

(B) any one director of the Company (or any two directors of the Company or one director and the secretary of the Company, in the case of execution of documents under seal) be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated in the FE-CSC Sub-construction Engagement Agreement and the transactions contemplated thereunder and the implementation thereof including the affixing of seal thereon.”

By Order of the Board
Far East Global Group Limited
Zhou Yong
Chairman and Non-executive Director

Hong Kong, 19 June 2012

*Head Office and Principal Place of
Business in Hong Kong:*
16th Floor, Eight Commercial Tower
No. 8 Sun Yip Street
Chai Wan
Hong Kong

Registered Office:
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Notes:

1. A form of proxy for the meeting is enclosed.
2. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting).
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorized to sign the same.
4. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. Where there are joint registered holders of any share of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

7. The register of members of the Company will be closed on 6 July 2012 and no share transfers will be effected on that day. In order to qualify for attending the meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 5 July 2012.