

3 October 2018

Disclosure of Advisory Fees paid to a Related Party by Subsidiary

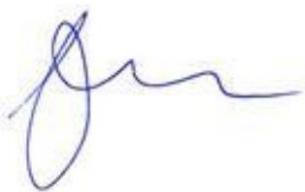
FE Investments Group Limited (**the Company**) advises that the Company's New Zealand subsidiary, FE Investments Limited (FEI) has filed an updated Product Disclosure Statement for its Term Deposit product in New Zealand.

The Product Disclosure Statement noted that FEI is considering whether and to what extent the audited financial statements for the financial year ended 31st March 2018 should be restated and re-issued to include detailed disclosure notes on transactions involving First Eastern Securities Limited's (FES) involvement in advisory transactions where FEI is the lender. In light of this the Company may need to make changes to its 2018 Annual Report including the Remuneration Report.

By way of background, Mr Shim and Mr Stewart are Executive Directors of both the Company and FEI and are also directors of FES. The arrangement between FES and FEI has been in place for a number of years and its existence has been previously disclosed in the FEI loan borrower agreements, FEI's sale and purchase agreement dated 29 November 2016 pursuant to which the Company acquired from the Vendors all of the issued shares in FEI, in the Form 603's lodged by both Mr Shim and Mr Stewart and, more recently, in FEI's latest Product Disclosure Statement.

The Company and FEI are working through a process including obtaining advice and liaising with their auditors, KPMG, to determine the appropriate course of action and will provide further updates when it is appropriate to do so.

For further information please contact:



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