



FEDERAL INTERNATIONAL (2000) LTD
Incorporated in the Republic of Singapore
Company Registration No. 199907113K

**PROPOSED DISPOSAL OF A SINGAPORE PROPERTY
BY A WHOLLY-OWNED SUBSIDIARY –
(1) IN-PRINCIPLE APPROVAL FROM JTC; AND (2) AGREEMENT ON COMPLETION DATE**

1. INTRODUCTION

1.1 The Board of Directors ("**Board**") of Federal International (2000) Ltd (the "**Company**") and together with its subsidiaries, the "**Group**") refers to:

- (a) The announcement made by the Company on 3 January 2022 in relation to the proposed disposal of the property at Lot 1383C of Mukim 7 and known as 11 Tuas Avenue 1 Singapore 639496 (the "**Property**") by the Company's wholly-owned subsidiary, Federal Hardware Engineering Co Pte Ltd ("**Federal Hardware**"), pursuant to the sale and purchase agreement entered into with United Machinery & Trading Pte. Ltd., an independent third party, (the "**Purchaser**"), on 3 January 2022 ("**SPA**"), upon the terms and conditions set out in the SPA (the "**Proposed Disposal**"); and
- (b) The announcement made by the Company on 28 April 2022 in relation to the waiver from the requirement to comply with Rule 1014(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited,

(collectively, the "**Previous Announcements**").

1.2 In the Previous Announcements, the Company announced that, the Company will make further announcements in relation the Proposed Disposal as and when there are material developments, and subject to the provisions of the SPA, the sale and purchase shall be completed:

- (a) on the date falling on the expiry of four (4) weeks from the date that JTC gives written confirmation that it has no objection to the execution of the assignment or instrument of transfer, or such other confirmation of similar nature (the "**JTC Final Approval**") for the sale and purchase of the Property; or
- (b) (where an environmental baseline study or any remediation or decontamination works is/are required or the removal of unauthorised additions and alterations are required by JTC) on the date falling four (4) weeks from the date of JTC's written confirmation that the parties may proceed to complete the sale and purchase of the Property; or
- (c) on the date falling on the expiry of four (4) weeks from the date that the approval of Shareholders and the approval and consents of any regulatory authorities (where necessary) is obtained, for the sale of the Property; or
- (d) on the date falling on the expiry of nine (9) months from the date of the SPA; or
- (e) such other date as both Federal Hardware and the Purchaser may mutually agree,

whichever shall be the latest (the "**Completion Date**").

1.3 All capitalised terms used in this announcement which are not defined herein shall bear the same meanings given to them in the Previous Announcements, or the terms and conditions of the JTC Memorandum of Lease registered as IG/84932T ("**Standard Terms**") available at <http://www.jtc.gov.sg> (as the case may be).

2. UPDATES TO THE PROPOSED DISPOSAL – RECEIPT OF JTC IN-PRINCIPLE APPROVAL

2.1 Further to the Previous Announcements, the Company wishes to announce that it had on 15 September 2022, received a written consent from JTC (“**JTC In-Principle Approval**”) via a letter dated 15 September 2022 for the proposed transfer of the lease, subject to such conditions to be complied by both Federal Hardware and the Purchaser.

2.2 The conditions to be complied by Federal Hardware include the following:

- (a) Federal Hardware agrees to pay the following on or before the Completion Date:
 - i. the Land Rent, Waterfront Fee/Allocated Waterfront Boundary Line Rent, Service Charge (where applicable) and all other sums due to JTC in respect of the Property up to the date immediately preceding the Completion Date;
 - ii. all Outgoings (including property tax) outstanding in respect of the Property up to the date immediately preceding the Completion Date to the relevant authorities; and
 - iii. legal fees, stamp duty and other reasonable costs and disbursements incurred by JTC in preparation of the JTC In-Principle Approval, and the legal fees relating to any enforcement of Federal Hardware’s obligations on a full indemnity basis.
- (b) Federal Hardware shall remedy any breaches of its obligations before the Completion Date unless JTC consents to the Purchaser undertaking the same.
- (c) Federal Hardware shall ensure that any outstanding mortgages on the Property shall be discharged by the Completion Date.
- (d) Federal Hardware must conduct an Environmental Baseline Study which must be in accordance with JTC’s Guideline on Environmental Baseline Study (2019 Edition) to determine the presence of contamination on and beneath the Property. If decontamination is required, Federal Hardware must carry out all works to decontaminate and reinstate the Property in accordance with JTC’s Environmental Baseline Requirements.

2.3 The conditions to be complied by the Purchaser include the following:

- (a) The Purchaser is required to take over the remainder of the original lease term from the Completion Date, make requisite payments to JTC and comply with the terms and conditions in the JTC In-Principle Approval as applicable to the Purchaser.
- (b) The Purchaser is required to comply with its decontamination and reinstatement obligations as set out in the Environmental Baseline Requirements.

2.4 Further to the JTC In-Principle Approval, the Completion Date shall be no later than 14 March 2023 (being 6 months from the date of the JTC In-Principle Approval), unless an extension has been agreed to by JTC.

2.5 Federal Hardware and the Purchaser are respectively required to accept the terms and conditions set out in the JTC In-Principle Approval and agree to comply with the same by providing the items requested in the JTC In-Principle Approval to JTC by 6 October 2022.

3. UPDATES TO THE PROPOSED DISPOSAL – AGREEMENT ON COMPLETION DATE

Further to the Previous Announcements, the Company wishes to update Shareholders that further to a written request from the Purchaser dated 2 September 2022, Federal Hardware and the Purchaser have, on 16 September 2022, mutually agreed to hold Completion in abeyance until at least 5 December 2022.

4. FURTHER ANNOUNCEMENT(S)

The Company will make further announcement(s) in relation the Proposed Disposal as and when there are material developments.

5. DIRECTORS' RESPONSIBILITY STATEMENT

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 on the Proposed Disposal, 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. Where information in this announcement 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 announcement in its proper form and context.

6. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and the other announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Mr Koh Kian Kiong
Executive Chairman and Chief Executive Officer
Date: 16 September 2022

About Federal International (Bloomberg Code: FEDI SP)

Established in 1974 and listed on the mainboard of the Singapore Stock Exchange in 2000, Federal International (2000) Limited ("**Federal**") and together with its subsidiaries, the "**Group**", is an integrated service provider and procurement specialist in the oil and gas and energy industries. The Group's main trading business contributes over 90% of total turnover.

The Group's strategy for sustainable growth of the trading business is through forming strategic partnerships. One such partnership is with PT Gunanusa Utama Fabricators ("**PTG**"). PTG is an established EPCIC contractor and its customers include oil majors such as TOTAL, Petronas, ONGC, Pertamina and PTTEP. The Group provides procurement services to PTG for the projects secured by PTG.

In addition, the Group has a design and manufacturing facility located in Scotland, the United Kingdom. The facility is American Petroleum Institute (API) Q1, Spec 6D, ISO 9001:2015 and Pressure Equipment Directive 97/23/EC (PED) certified. Products manufactured also meet the Safety Integrity Level (SIL) Qualification independently certified by Exida.

The Group also owns a floating, storage and offloading ("**FSO**") vessel through its 30% interest in an associate. The FSO is chartered to PT Pertamina Hulu Energi OSES. The Group has a 1,200 HP American built land drilling rig. The Group also operates an industrial tap water plant in the People's Republic of China under a 30-year Build, Operate and Transfer agreement with the local Xinjin District, Chengdu government.