

## FEDERAL INTERNATIONAL (2000) LTD

(Company Registration No.: 199907113K)  
(Incorporated in the Republic of Singapore)

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### FEDERAL ENVIRONMENTAL & ENERGY PTE. LTD.

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The board of directors (the “**Board**”) of Federal International (2000) Limited (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) wishes to announce that its 65% owned subsidiary, Federal Environmental & Energy Pte. Ltd. (“**FEE**”), has commenced arbitration proceedings (the “**Proceedings**”) at the China International Economic and Trade Arbitration Commission against the management committee of the Sichuan Panzhihua Vanadium-Titanium Industrial Park (the “**Management Committee**”) pursuant to Article 21.1 of the BOO Agreement (as defined below).

In 28 March 2008, FEE had entered into a build, own, operate (BOO) agreement with the Management Committee in respect of the development of a waste water treatment plant in the Sichuan Panzhihua Vanadium and Titanium Industrial Park (the “**BOO Agreement**”).

FEE and a former subsidiary, Federal Environmental (Panzhihua) Co., Ltd (“**FEPZH**”), being the project operator for the waste water treatment plant (*please refer to the announcements made on 8 December 2013 and 13 February 2014, as well as the notice of Extraordinary General Meeting dated 29 January 2014 and the results of the Extraordinary General Meeting announced on 13 February 2014*) had been participating in ongoing negotiations with the Management Committee on various breaches by the Management Committee under the BOO Agreement but to no avail.

While FEE and FEPZH are co-claimants in the Proceedings, the claims made against the Management Committee are solely in respect of losses suffered by FEPZH. FEE’s PRC lawyers have advised it to participate in the Proceedings solely to protect FEE’s interest in the outcome of the Proceedings and to reserve its right to bring additional claims in the future, where necessary.

The Group is working closely with its PRC lawyers in connection with the arbitration proceedings to, *inter alia*, enforce the Claims and safeguard and protect the interest and assets of the Group. The Company will make the necessary announcements when there are material developments on the arbitration.

BY ORDER OF THE BOARD

Koh Kian Kiong  
Executive Chairman & Chief Executive Officer  
7 July 2017