



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

UPDATE ON PROPOSED DISPOSAL OF INTEREST IN PT EASTERN JASON BY A WHOLLY-OWNED SUBSIDIARY

1. INTRODUCTION

- 1.1 The Board of Directors of Federal International (2000) Ltd (the **"Company"** and together with its subsidiaries, the **"Group"**) refers to the announcement made on 10 November 2022 (the **"Announcement"**) in relation to the conditional sale and purchase agreement (**"Conditional SPA"**) made between the Company's wholly-owned subsidiary, Eastern Jason Fabrication Services Pte Ltd (**"EJFS"**), and an independent third party, PT Bumi Investment Mandiri (the **"Purchaser"**), on 9 November 2022, in relation to (i) the disposal of 30% of the issued share capital (the **"Shares"**) of, and (ii) the novation and assignment of the outstanding receivables (the **"Receivables"**) against, PT Eastern Jason (**"PTEJ"**) upon the terms and conditions set out in the Conditional SPA (collectively, the **"Proposed Disposal"**).
- 1.2 Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as defined in the Announcement.

2. UPDATE ON THE PROPOSED DISPOSAL

- 2.1 As disclosed in the Announcement, the Company initially determined that the Proposed Disposal would constitute a "Discloseable Transaction" under Rule 1010 of the Listing Manual but had enquired with SGX-ST on the need for an Extraordinary General Meeting (**"EGM"**) to seek shareholders' approval for the Proposed Disposal.
- 2.2 As further disclosed in the Announcement, the Company had, in the interest of time, entered into the Conditional SPA with completion of the Proposed Disposal subject to the directions of SGX-ST. It is a condition precedent of the Conditional SPA that, if required by the listing rules of SGX-ST, EJFS shall deliver or ensure delivery to the Purchaser a copy (certified by a duly appointed officer as true and correct) of a resolution of the Company's shareholders passed in a general meeting authorising the execution of and approving the performance by EJFS of its obligations under the Transaction Documents (the **"Shareholders' Resolution"**).
- 2.3 On 14 March 2023, the Company received written confirmation from SGX-ST that the Proposed Disposal shall be classified as a "Major Transaction" and not just a "Discloseable Transaction". Therefore, it is subject to the Company's shareholders' approval pursuant to Rule 1014(2) of the Listing Manual, and the Company is required to convene an EGM to seek shareholders' approval for the Proposed Disposal.
- 2.4 Pursuant to the terms of the Conditional SPA, the Closing of the Proposed Disposal shall be within 3 months of the Conditional SPA or such other date that EJFS and the Purchaser may agree in writing. At this point of time, the Company's projected timeline for convening an EGM and securing the passing of the Shareholders' Resolution does not meet the expectations of the Purchaser. A key consideration for the Company's projected timeline is the need for the FSO to undergo a dry-docking exercise soon and the need for PTEJ to raise funds to finance the costs of this dry-docking exercise. In the event the Purchaser does not agree to a later Closing Date for the Conditional SPA, the Purchaser may elect to terminate the Conditional SPA.
- 2.5 The Board of Directors wishes to disclose to shareholders that steps to effect the Closing of the Proposed Disposal are currently put on hold while the Company conducts a more thorough analysis of the situation and engages with the relevant parties in discussions on the Conditional SPA.
- 2.6 The Company will make further announcement(s) as may be necessary and appropriate

3. 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: 21 March 2023

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.