



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

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**THE PROPOSED DISPOSAL OF PROPERTIES LOCATED AT 47 GENTING ROAD, SINGAPORE 349489 AND 49 GENTING ROAD, SINGAPORE 349490 – GRANT OF OPTION TO PURCHASE**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Federal International (2000) Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that on 24<sup>th</sup> August 2022, its wholly-owned subsidiary Federal Hardware Engineering Co. Pte. Ltd. (the “**Vendor**”) has, in consideration of an option fee of S\$168,000 (the “**Option Fee**”) paid by Markpoint Engineering Pte Ltd (the “**Purchaser**”), granted an option to purchase (the “**Option**”) to the Purchaser whereby the Vendor will sell 2 properties (each a “**Property**” or collectively the “**Properties**”) situated at 47 Genting Road, Singapore 349489 and 49 Genting Road, Singapore 349490 (“**Proposed Disposal**”) to the Purchaser for an aggregate consideration of S\$16,800,000 (“**Consideration**”).

Upon the due exercise of the Option, a binding contract for the sale and purchase of the Properties between the Vendor and the Purchaser (the “**Agreement**”) at the Consideration and on the terms and conditions stated in the Option shall *ipso facto* come into force.

The Agreement will be subject to the Company’s shareholders’ approval.

The Purchaser is an exempt private company limited by shares incorporated in Singapore with registration number 199904014W and having a registered office at 10 Admiralty Street #02-27 North Link Building, Singapore 757695. The Purchaser is not related to the Group.

The Properties comprise the followings: -

- (i) all that freehold property located at 47 Genting Road, Singapore 349489 and comprised in Lot Number 5613V of Mukim 24, and
- (ii) all that freehold property located at 49 Genting Road, Singapore 349490 and comprised in Lot Number 5614P of Mukim 24.

**2. CONSIDERATION**

The Consideration was arrived at on a willing-buyer, willing-seller basis, taking into consideration an indicative valuation by TEHO Property Consultants Pte. Ltd. (the “**Valuer**”) as at 30<sup>th</sup> June 2022.

The Consideration will be paid by the Company in cash to the Vendor as follows: (i) 1% non-refundable Option Fee in exchange for the grant of the Option, (ii) 4% upon exercise of the Option (which together with the Option Fee forms the “**Deposit**”), and (ii) 95% upon completion of the Proposed Disposal.

The Purchaser shall bear any stamp duty payable upon the exercise of the Option.

### **3. RATIONALE FOR THE PROPOSED DISPOSAL**

The Board is of the view that the Proposed Disposal is in line with the Group's business plan to dispose non-core assets and to strengthen the Group's cash position. The Property has a book value of S\$13,800,000 as at 30 June 2022. In the event the Option is exercised and the Proposed Disposal is completed, it is expected to have a material positive impact on earnings per share or net tangible assets per share of the Group for the financial year ending 31 December 2022.

### **4. PRINCIPAL TERMS OF THE OPTION**

The salient terms and conditions of the Option are as follows:

#### **4.1 Conditions Precedent**

**4.1.1** The Proposed Disposal is subject to the Company's shareholders and if required, Singapore Exchange Securities Trading Limited ("**SGX-ST**") approval.

**4.2** The option period will be 8 weeks for the Purchaser to complete a soil test and obtain various approvals from relevant regulatory agencies for Purchaser's intended use of the Properties.

**4.3** the completion date shall be 4 weeks from the date of obtaining the Company's shareholders' approval or by 17 February 2023.

**4.4** If the Purchaser does not exercise the Option before the expiry of 8 weeks, the Option Fee will be forfeited by the Vendor.

### **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors, controlling or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal.

### **6. FURTHER ANNOUNCEMENTS**

The Company will make further announcements (including the relative figures and the financial impact) in relation to the Proposed Disposal as and when there are material developments and/or the exercise of the Option.

### **7. 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: 24 August 2022

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**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.