FEDERAL INTERNATIONAL (2000) LTD

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

DISPOSAL OF AN INVESTMENT

1. INTRODUCTION

The board of directors (the "**Board**") of Federal International (2000) Limited refers to the announcements dated 8 December 2013 and 13 February 2014 (the "**Announcements**") in relation to the proposed sale of 99% of the issued and paid up capital of FEE Water (China-PZH) Ltd ("**FEEW**"). This update shall be read together with the Announcements and unless the context requires otherwise, capitalised terms used herein shall have the same meaning as defined in the Announcements.

2. COMPLETION

The Board is pleased to announce that the sale of FEEW has been completed on 12 March 2014.

BY ORDER OF THE BOARD

Koh Kian Kiong Executive Chairman & Chief Executive Officer 12 March 2014