



**Federal International (2000) Ltd**

(Co. Reg. No. 199907113K)

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**FEDERAL SIGNS MEMORANDUM OF UNDERSTANDING WITH CHINA MERCHANTS INDUSTRY HOLDINGS TO CO-OPERATE EXCLUSIVELY FOR CERTAIN IDENTIFIED OIL AND GAS PROJECTS IN INDONESIA**

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The Board of Directors (the “**Board**”) of Federal International (2000) Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce the signing of a Memorandum of Understanding (“**MOU**”) between China Merchants Industry Holdings Co., Ltd. (“**CMIH**”) and the Company on 20 April 2017. Under the MOU, CMIH and the Group will co-operate exclusively on certain identified oil and gas projects in the Indonesia market.

CMIH is a wholly owned subsidiary of the China Merchants Group and is a well established engineering, procurement, construction, installation and commissioning (“**EPCIC**”) contractor. CMIH’s capabilities include the design and construction of offshore drilling vessels, structures, production equipment, specialized vessels and vessel conversions.

The Group has established strong business ties and network in the Southeast Asia region and in particular, in Indonesia. Its expertise in the procurement, supply, design, manufacture, assembly, distribution and provision of flowline control products, other equipment and services for the oil and gas industry will enhance the co-operation between CMIH and the Group.

Commenting on the signing of the MOU, the Group’s Executive Chairman and CEO, Mr Koh Kian Kiong, said, “The signing of the MOU will further enhance the strategic and competitive advantage of the Group. Through the Group’s strong business ties and network in Indonesia, CMIH and the Group expects to secure oil and gas projects in the country. CMIH and the Group are currently in discussion with various Indonesian parties on a number of identified projects.”

Mr David Zhu, Vice President of CMIH and the Chairman of Yu Lian Dockyards Limited, commented, “The growing Indonesian oil and gas market presents interesting opportunities for CMIH. CMIH is pleased to sign the MOU with Federal and to tap on Federal’s strong network. Together with the Federal Group, CMIH looks forward to growing its presence in Indonesia.”

None of the Directors and, to the best of the best knowledge of the Directors, none of the substantial shareholders or controlling shareholders of the Company, has any direct or indirect interest in the transaction.

Shareholders are advised to exercise caution in dealing in the shares of the Company and to consult their stock brokers, bank managers, solicitors or other professional advisors as necessary.

By order of the Board  
Koh Kian Kiong  
Executive Chairman and CEO  
20 April 2017

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**About China Merchants Industry Holdings Co., Ltd (<http://www.cmindustry.com.hk>)**

China Merchants Industry Holdings Co., Ltd (“**CMIH**”) is a wholly owned subsidiary of China Merchants Group. CMIH has become the fastest-growing and most-promising offshore equipment builder and ship repair yard with international influence in China.

CMIH owns a shipyard for offshore and vessel build, repair and conversion. Its main business includes offshore equipments and large specialized vessel build, offshore equipment and all kinds of vessel repair and conversion.

CMIH owns three production bases which are located in Haimen, Jiangsu; Mazhou Island in Shenzhen; and Yiu Lian in Hong Kong. These facilities are abutting the East and South China Sea, bestriding the main sea lanes in China. All of the bases cover over 2.1 million square meters with coastline of more than 6,150 meters and piers of over 12 meters draught. CMIH is equipped with world-class production facilities, including three dry docks, four floating docks, 6 offshore build berths and tugboats, and professional qualified equipments such as 3000T floating cranes, 900T gantry cranes and 25,000T launch barge.

CMIH’s excellent facilities, advanced management and eco-friendly principles offer the best service to its customers by striving to be a world-class shipyard with international competitiveness.

**About Federal International (2000) Ltd**

Established in 1974 and listed on the mainboard of the Singapore Stock Exchange in 2000, Federal International (2000) Limited (“Federal” or the “Group”), is an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries. The Group’s main trading business contributes 97% 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 EPC contractor and counts major oil companies such as TOTAL, Chevron, ONGC, Pertamina and PTTEP as its customers. The Group provides procurement services to PTG for the EPC 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 and a 1,200 HP American built land drilling rig. The FSO is chartered to the China National Offshore Oil Corporation. The Group also operates an industrial water plant in the People’s Republic of China under a 30-year Build, Operate and Transfer agreement with the local Xinjin County government.