

## FEDERAL INTERNATIONAL (2000) LTD

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

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### UPDATE ON EASTERN JASON FABRICATION SERVICES PTE. LTD.

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The board of directors (the “**Board**”) of Federal International (2000) Limited (the “**Company**” and its subsidiaries, the “**Group**”), refers to the announcements dated 27 August 2017, 4 September 2017, 2 July 2018 and 30 July 2018 (the “**Announcements**”) in respect of a lawsuit between its wholly owned subsidiary, Eastern Jason Fabrication Services Pte. Ltd. (“**EJFS**”) and PT Aquamarine Divindo Inspection (“**PT Aquamarine**”) (the “**Dispute**”). This update shall be read together with the Announcements and unless otherwise, capitalized terms used herein shall have the same meaning as defined in the Announcements.

The Board wishes to announce that EJFS and PT Aquamarine had agreed to enter into a full and final settlement of the Dispute by the payment of US\$1,000,000 by EJFS to PT Aquamarine over 9 instalments commencing 8 August 2019; the first instalment being US\$200,000 payable on 8 August 2019 and thereafter, 8 equal instalments of US\$100,000 at the end of each month commencing on 31 August 2019. The final instalment shall be on 31 March 2020.

In connection with the settlement, the Company had also executed (1) a corporate guarantee in favour of PT Aquamarine and (2) a compensation agreement from the Company to the Attorneys of EJFS as the Attorneys had also provided a corporate guarantee pursuant to the settlement.

The Group has since the financial year ended 31 December 2014, made an aggregate provision of US\$5.38 million in the books of EJFS and subsequently in 2017 revised the provision to US\$4.28 million. The settlement will result in a write back of the over provision.

BY ORDER OF THE BOARD

Koh Kian Kiong  
Executive Chairman & Chief Executive Officer

8 August 2019