

FEDERAL INTERNATIONAL (2000) LTD

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

OUTCOME OF ARBITRATION PROCEEDINGS

The board of directors (the “**Board**”) of Federal International (2000) Limited (the “**Company**”), together with its subsidiaries, referred to as the “**Group**”) refers to the announcement made on 15 September 2016 (the “**Announcement**”). The Announcement was in respect of an Alleged Claim made by the Claimant against the Respondents of up to US\$958,100.

Further to the Announcement, the Board wishes to provide an update on the Proceedings. Capitalized terms used in this announcement shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The arbitration tribunal, in respect of the Proceedings, issued a final award on 21 November 2017 (the “**Award**”), ordering *inter alia* the following:

- (1) Damages in the amount of US\$55,000 together with interest on said sum at the rate of 5.33% per annum from the date of the Award shall be paid by the Respondents, who are jointly and severally liable, to the Claimant.
- (2) The Claimant shall pay the sum of S\$141,149.23 to AIR as AIR’s legal costs and disbursements.
- (3) The Claimant shall bear 80% of the costs of the arbitration in the amount of S\$155,011.08.
- (4) AIR shall bear 20% of the costs of the arbitration in the amount of S\$38,752.77.

The Award is not expected to have any material impact on the earnings per share and/or net tangible assets per share of the Group for the current financial year ending 31 December 2017.

The Board will make further announcements if there are any other material developments in connection with this matter as and when appropriate.

BY ORDER OF THE BOARD

Koh Kian Kiong
Executive Chairman & Chief Executive Officer
23 November 2017