

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

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**FEDERAL ENVIRONMENTAL & ENERGY PTE. LTD.**

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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 announcements made on 7 July 2017, 11 January 2018 (as clarified on 17 January 2018), 15 January 2018 and 19 April 2018 (the “**Announcements**”). Further to the Announcements, the Board wishes to provide an update to the New Proceedings. Capitalized terms used in this announcement shall have the same meanings as defined in the Announcements unless the context requires otherwise.

The Board wishes to announce that the Sichuan High People’s Court had issued an appellate judgment upholding the Ruling in relation to the Creditor Actions. While both the Panzhuhua Intermediate People’s Court and the Sichuan High People’s Court (the “**Courts**”) ruled that no debts were owed by FEPZH to Federal Environmental Engineering (Shanghai) Co., Ltd, FEE Investment Management Consultants (Shanghai) Co., Ltd, and Federal International (Shanghai) Co., Ltd, the Courts ruled that Federal Water (Chengdu) Co., Ltd. (“**FEWCD**”) was owed an aggregate sum of RMB 1,200,000 by FEPZH (each a “**Ruling**” and together the “**Rulings**”).

Further to the restructuring plan for FEPZH approved by the Panzhuhua Intermediate People’s Court and the setting off of certain debts owed to FEPZH by companies in the Group, the aggregate sum of RMB 1,200,000 owed to FEWCD was reduced to RMB 830,000.

The Board has also been informed that the Subsidiaries are currently seeking legal advice from their PRC lawyers in respect of the Rulings.

The Board does not expect the Rulings to have any material financial impact to the Group.

The Board will make further announcements on any material developments in connection with this matter as and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing with the shares of the Company in relation to this announcement.

BY ORDER OF THE BOARD

Koh Kian Kiong  
Executive Chairman & Chief Executive Officer  
29 May 2019