

[Print this page](#)

MISCELLANEOUS

\* Asterisks denote mandatory information

Name of Announcer *	FEDERAL INT(2000) LTD
Company Registration No.	199907113K
Announcement submitted on behalf of	FEDERAL INT(2000) LTD
Announcement is submitted with respect to *	FEDERAL INT(2000) LTD
Announcement is submitted by *	Chng Geok
Designation *	Director/Company Secretary
Date & Time of Broadcast	09-Dec-2009 23:21:07
Announcement No.	00116

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title \*

DISPOSAL OF LAND RIG AND SHAREHOLDINGS IN GEO LINK NUSANTARA PTE LTD

Description

Please see attached.

Attachments

 [Disposal-GeoLink.pdf](#)  
 Total size = **33K**  
 (2048K size limit recommended)

[Close Window](#)

## **FEDERAL INTERNATIONAL (2000) LTD**

(Incorporated in Singapore)

Company Registration No. 199907113K

---

### **DISPOSAL OF LAND RIG AND SHAREHOLDINGS IN GEO LINK NUSANTARA PTE LTD**

---

#### **1. The Disposal**

The Board of Directors ("Board") of Federal International (2000) Ltd (the "Company" or together with its subsidiaries the "Group") wishes to announce that the Sale and Purchase Agreement entered into between its wholly-owned subsidiary, Alton International (S) Pte Ltd ("Alton"), with a certain individual (the "Initial Buyer") to sell its land rig and its entire 65% interests in shareholdings in Geo Link Nusantara Pte Ltd ("GLN") (the "September SPA") announced on 10<sup>th</sup> September 2009 had been terminated on 2<sup>nd</sup> December 2009 due to non payment of the proceeds pursuant to the September SPA. Due Notice had been served on the Initial Buyer in accordance with the terms of September SPA.

Subsequent to the termination of the September SPA, a new Sale and Purchase Agreement has been entered into between Alton, an individual buyer, Eka Taufik Syah Putera (the "Putera") and PT Geo Link Nusantara ("PT GLN") in respect of the sale of land rig, repayment of amount owing by PT GLN and 65% interests in shareholdings of GLN (the "New SPA"). Under the new SPA, the 65% interests in GLN would be sold to the Putera and the land rig would be sold to PT GLN.

The land rig was acquired for the ordinary course of business to tender for projects in the onshore oil and gas sector in Indonesia and the region by Alton in April 2008.

#### **2. Information on the Purchaser**

- a) PT GLN is a limited liability company established under the laws of the Republic of Indonesia engaged in the onshore and offshore drilling and other oil and gas related services.
- b) Eka Taufik Syah Putera, a citizen of the Republic of Indonesia who is currently one of the shareholders and directors of PT GLN who in turn owns 20% of GLN and serves as its director.

#### **3. Consideration**

Under the terms of the New SPA, the total proceed payable by both Putera and PT GLN to Alton shall be US\$50,000,000 (inclusive of agent fee of US\$5,000,000), which comprised the following:

- (i) the purchase price of the land rig;
- (ii) the purchase consideration of the disposal of investment in GLN; and
- (iii) the settlement of amount owing by PT GLN/related company.

The terms of payment shall be as follows:

- US\$3 million had been received todate.
- US\$35 million (inclusive of agent fee) by 31 December 2009.
- Final payment of US\$12 million to be made by 12 monthly instalment payments of US\$1 million, commencing 1 March 2010 and with the final instalment payment by February 2011.

The stipulated payment periods may be extended by parties, with Alton being entitled to charge interests on the outstanding proceeds.

The consideration of US\$50,000,000 (inclusive of agent fee) was arrived at after arm's-length negotiations on a 'willing-buyer willing-seller' basis.

The disposal will result in a deficit of S\$874,239 which will be recognized in the full year financial statements ending 31 December 2009.

#### **4. Rationale for the Sale**

The disposal is in line with the Group's strategy to divest the Group's interest in certain projects and subsidiaries and the proceeds of which will be used to repay the bank loans and improve working capital.

#### **5. Financial Effects**

The above transaction is not expected to have a material impact on the net tangible assets but is expected to have a material impact on the earnings per share of the Group for the financial year ending 31 December 2009.

#### **6. Relative Figures**

The disposal of the land rig is in the ordinary course of business. GLN will cease to be a subsidiary of the Group after the completion of the Disposal, that is, on or after February 2011.

For the purposes of computing the relative figures below, the disposed assets only include the investment in GLN.

<b>Rule 1006(a)</b>	S\$
Net Asset Value (NAV) of the disposed assets (investment in GLN)	2,634,728
NAV of the Group	136,922,431
NAV of the disposed assets as a % of NAV of the Group	1.92%
<b>Rule 1006(b)</b>	
Net profits before taxation attributable to the disposed assets	(874,239)
Net profits before taxation of the Group	5,378,286
Net profits before taxation attributable to the disposed assets as a % of the net profit before taxation of the Group	-16.25%

<b>Rule 1006(c)</b>	
Aggregate value of consideration to be received	838,334
Market Capitalisation of the Company	90,418,045
Aggregate value of the consideration as a % of the market capitalization of the company as at 9 December 2009	0.93%
<b>Rule 1006(d)</b>	
Not applicable as the Company will not be issuing shares for the transaction	NA

Based on the above computation, no shareholder approval is required for the disposal.

#### **7. Material Conditions**

Subject to the initial instalment payment of US\$35 million (inclusive of agent fee) being received latest by 31 December 2009.

#### **8. Interests of Directors and Controlling Shareholders**

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the disposal.

By Order of the Board

Chng Geok  
 Director/Company Secretary  
 9 December 2009