

**FEDERAL INTERNATIONAL (2000) LTD**

(Incorporated in Singapore)

*Company Registration No. 199907113K*

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**CLARIFICATION ON FINAL DIVIDEND ANNOUNCED ON 28 FEBRUARY 2007**

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The Board of Directors of Federal International (2000) Ltd (the "Company") refers to the following announcements ("Announcements") released by the Company on 28 February 2007:

1. Full Year Financial Statement and Dividend Announcement (Announcement no. 001); and
2. Press Release: Federal's FY2006 Net Profit Soars 142.5% to \$12.5m (Announcement no. 002)

The Board of Directors of the Company wishes to clarify that the final dividend of 1.6 cents per ordinary share (less 18% tax) to be paid out for the year ended 31 December 2006 ("FY2006") referred to in the Announcements comprises of:

- (i) a final dividend of 0.8 cents per ordinary share (less tax); and
- (ii) a special dividend of 0.8 cents per ordinary share (less tax).

The special dividend of 0.8 cents per ordinary share had been proposed in view of the improved performance of the Company in FY2006.

The total dividend of 1.6 cents per share (less tax) comprising a final dividend (0.8 cents) and a special dividend (0.8 cents) will be tabled for shareholders' approval at the Company's forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

Chng Geok  
Director/Company Secretary

28 March 2007