

Federal International (2000) Ltd

(Incorporated in the Republic of Singapore on 13 November 1999)
(Company Registration Number: 199907113K)

PROPOSED BONUS DIVIDEND AND RIGHTS ISSUE IN-PRINCIPLE APPROVAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Federal International (2000) Ltd (“**Company**”) refers to the announcement dated 18 December 2006 (“**Announcement**”) relating to, *inter alia*, the Bonus Dividend and the Rights Issue. In the Announcement, the Company stated that it will apply to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for approval for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST. Unless otherwise defined, all terms used herein bear the same meaning as in the Announcement.

The Company wishes to announce that the SGX-ST has granted its approval in-principle for the listing and quotation of up to 63,073,163 Rights Shares, subject to compliance with the SGX-ST’s listing requirements. The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Bonus Dividend, the Rights Issue, the Rights Shares, the Company, its subsidiaries or its Shares.

The Company also wishes to announce that it has obtained a waiver from the SGX-ST of Rules 815 and 877(8) of the Listing Manual of the SGX-ST, which relate to the requirements to announce any significant disbursements of the proceeds raised from the Rights Issue and to make periodic announcements on the utilisation of the proceeds as the funds from the Rights Issue are disbursed respectively. If the Rights Issue is fully subscribed, the gross proceeds from the Rights Issue and the aggregate Bonus Dividend payout will each amount to approximately S\$17.66 million, after accounting for all outstanding warrants being exercised on or before the Books Closure Date. Hence, there will not be significant net cash inflow from both the Bonus Dividend and the Rights Issue. Together with the Bonus Dividend, the Rights Issue in effect transforms a portion of the Company’s retained earnings into permanent paid-up capital.

Information on the details of the Rights Issue will be provided in the Offer Information Statement to be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Chng Geok
Executive Director

25 January 2007