

FEDERAL INTERNATIONAL (2000) LTD

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

THE PROPOSED CONSOLIDATION OF EVERY TWENTY (20) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE, INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

- **AMENDMENT OF THE PROPOSED SHARE CONSOLIDATION TO EVERY FORTY (40) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE, INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**
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In this announcement, unless otherwise defined, capitalised terms have the same meaning ascribed to them in the announcement made by the Company on 2 March 2015.

1. INTRODUCTION

- 1.1 The Directors of the Company refer to the announcement dated 2 March 2015 (the "**Initial Announcement**") in relation to the Proposed Share Consolidation.
- 1.2 The Directors wish to announce that the Proposed Share Consolidation will be amended to every forty (40) Shares registered in the name of each Shareholder as at the Books Closure Date into one (1) Consolidated Share (the "**Revised Proposed Share Consolidation**").

2. RATIONALE

- 2.1 The Directors have observed that, to date, there has been significant fluctuations to the price of the Shares on the SGX-ST (the "**Share Price**") since the Initial Announcement. Due to the current volatility of the Share Price, the Directors deem it prudent to revise the Proposed Share Consolidation to the Revised Proposed Share Consolidation.
- 2.2 Shareholders should note, however, that there can be no assurance that the Revised Proposed Share Consolidation will achieve the desired results as described in paragraph 2 of the Initial Announcement, nor is there assurance that such results (if achieved) can be sustained in the longer term.

3. DETAILS

- 3.1 Under the Revised Proposed Share Consolidation, every forty (40) Shares registered in the name of each Shareholder as at the Books Closure Date for the Revised Proposed Share Consolidation will be consolidated into one (1) Consolidated Share.

- 3.2 **Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Revised Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date for Revised Proposed Share Consolidation, will be ROUNDED DOWN TO THE NEAREST WHOLE CONSOLIDATED SHARES AND ANY FRACTIONS OF CONSOLIDATED SHARES ARISING FROM THE REVISED PROPOSED SHARE CONSOLIDATION WILL BE DISREGARDED. All fractional entitlements arising from the implementation of the Revised Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.**
- 3.3 Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares. As at the date of this Announcement, the Company has an issued share capital of 1,407,675,433 Shares. Following the completion of the Revised Proposed Share Consolidation, the Company will have a share capital of up to 35,191,885 Consolidated Shares.
- 3.4 The Revised Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company and its subsidiaries.
- 3.5 Shareholders are not required to make any payment to the Company in respect of the Revised Proposed Share Consolidation. The Revised Proposed Share Consolidation is not expected to cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding and the disregard of fractional entitlements as stated in paragraph 3.2.
- 3.6 Subject to Shareholders' approval being obtained for the Revised Proposed Share Consolidation at the extraordinary general meeting ("**EGM**"), Shareholders' holdings of the Consolidated Shares arising from the Revised Proposed Share Consolidation will be ascertained on the Books Closure Date for Revised Proposed Share Consolidation.

4. APPROVALS

- 4.1 The Revised Proposed Share Consolidation is subject to, *inter alia*:
- (a) the SGX-ST's approval for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and
 - (b) the Shareholders' approval for the Revised Proposed Share Consolidation being obtained at an EGM of the Company to be convened.
- 4.2 An application will be made to the SGX-ST for permission for dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

5. CIRCULAR

- 5.1 Subject to approval from SGX-ST, a circular setting out, amongst other things, details of the Revised Proposed Share Consolidation and enclosing a notice convening an EGM to seek Shareholders' approval of the Revised Proposed Share Consolidation, will be despatched to Shareholders in due course.

5.2 Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. They should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD OF DIRECTORS

Koh Kian Kiong
Executive Chairman and Chief Executive Officer
13 March 2015