



Federal International (2000) Ltd

(Co. Reg. No. 199907113K)
47/49 Genting Road
Singapore 349489

RESPONSE TO QUERIES RECEIVED FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED RELATING TO THE ANNUAL REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the “**Board**”) of Federal International (2000) Ltd (the “**Company**”) wishes to provide the replies in response to the following queries received from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) relating to the annual report of the Company for financial year ended 31 December 2015 (“**Annual Report**”):-

SGX Query 1

Paragraph 9.4 of the Code of Corporate Governance 2012 (the "Code") states that for transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands.

The Exchange noted that the Annual Report did not disclose the remuneration of the employee in incremental bands of S\$50,000 and the relationship of the employee to the Executive and CEO of the Company. As recommended in paragraph 9.4 of the Code and pursuant to Rule 710 of the Listing Manual, please provide the required disclosures or otherwise explain the reason(s) for the deviation from the Code.

Company's Response

The Company has disclosed on page 31 of the FY2015 Annual Report that, “... in view of the confidentiality and sensitivity attached to remuneration matters, the Board is of the opinion that it is in the best interests of the Group not to disclose exact names and exact remuneration received by the employee related to the Executive Director and CEO of the Company for FY2015. Notwithstanding the above, there is one employee who is a Key Management Personnel of the Group and an immediate family member of the Executive Directors and CEO of the Company and his remuneration exceeds S\$50,000 for FY2015.”

The employee refers to Mr Don Koh Beng Guan, who is the son of Mr Koh Kian Kiong, Executive Chairman and CEO, and the brother of Ms Maggie Koh, Executive Director. The positions held by Mr Don Koh and his relationships were disclosed in the Company's unaudited full year financial results made on 24 February 2016.

Mr Don Koh is one of the top five Key Management Personnel and the Company has disclosed the remuneration of the top five key management personnel in bands of S\$250,000 on page 30 of the Annual Report. His remuneration was not disclosed in bands of S\$50,000 due to confidentiality and sensitivity reasons as explained on page 31 of the Annual Report.

SGX Query 2

Guideline 9.3 of the Code of Corporate Governance 2012 (the “Code”) states that the Company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel’s remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentive and awards, and other long term incentives.

In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel.

The Exchange noted that the Annual Report did not disclose the upper limit for the remuneration of Mr Koh Kian Kiong. As recommended in paragraph 9.3 of the Code and pursuant to Rule 710 of the Listing Manual, please provide the required disclosures or otherwise explain the reason(s) for the deviation from the Code.

Company’s Response

The table below relates to the remuneration received by Mr Koh Kian Kiong from the Company and its subsidiaries for FY2015:

Directors of the Company	Fees	Salary	Bonus	Other Benefits	Total
Over S\$1,000,000 to S\$1,250,000					
Mr Koh Kian Kiong	-	46%	51%	3%	100%

By order of the Board

Mr Koh Kian Kiong
Executive Chairman and Chief Executive Officer

26 April 2016

About Federal International (2000) Ltd

Established in 1974 and listed on the mainboard of the Singapore Stock Exchange in 2000, the Company (together with its subsidiaries, the “Group”) is an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries. The Group’s design and manufacturing facility located in Scotland, the United Kingdom, is American Petroleum Institute (API) Q1, Spec 6D, ISO 9001:2008 and Pressure Equipment Directive 97/23/EC (PED) certified.

The Group also owns a floating, storage and offloading (“FSO”) vessel and a 1,200 HP Brewster land drilling rig. The Group also operates an industrial water plant in the People’s Republic of China under a 30-year Build, Operate and Transfer agreement with the local Xinjin Country government.