

**FEDERAL INTERNATIONAL (2000) LTD**

(Incorporated in Singapore)

*Company Registration No. 199907113K*

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**INCORPORATION OF JOINT-VENTURE COMPANY**

**– FEDERAL IESE ENVIRONMENTAL TECHNOLOGY (SHANGHAI) CO., LTD.**

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The Board of Directors of Federal International (2000) Ltd (the “Company”) wishes to announce that the Company’s subsidiary, Federal Environmental & Energy Pte. Ltd. (“FEE”), has entered into a joint venture agreement with IESE Water (Asia) Pte Ltd (“IESE”) to set up Federal IESE Environmental Technology (Shanghai) Co., Ltd. (“Federal IESE”).

The Company and IESE will hold a 90% and 10% interest in Federal IESE respectively.

Federal IESE is incorporated in Shanghai in the People’s Republic of China. It will have a paid-up capital of US\$150,000.

The principal activities of Federal IESE would be to undertake projects on water and waste water treatment systems, solid waste treatment and management, biomedical waste treatment and related environmental projects, as well as the supply of specialty chemicals for use in industrial water and waste water treatment plants.

The Company’s investment in Federal IESE will be funded by internal resources and is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2008.

None of the Directors or substantial shareholders of the Company has any direct or indirect interest in the above investment.

By Order of the Board

Chng Geok  
Director/Company Secretary

31 January 2008