

FEDERAL INTERNATIONAL (2000) LTD

(Incorporated in Singapore)

Company Registration No. 199907113K

INCREASE IN INVESTMENT IN SUBSIDIARY – KVC (UK) LTD

The Board of Directors of Federal International (2000) Ltd (the “Company”) wishes to announce that the Company has increased its shareholding in its subsidiary, KVC (UK) Ltd (“KVC UK”), by acquiring an additional 30,000 shares from KVC UK’s existing shareholders for a total consideration of £12,000 (approximately S\$32,200).

The consideration was arrived at after arm’s length negotiations on a willing buyer, willing seller basis.

Following the said acquisition of shares, the Company’s shareholding in KVC UK would increase from 80% to 90%. This is in line with the Company’s ongoing efforts to consolidate its businesses.

The above investment 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

9 May 2008