

**FEDERAL INTERNATIONAL (2000) LTD**

(Incorporated in Singapore)

*Company Registration No. 199907113K*

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**INCREASE IN INVESTMENT IN GROUP'S SUBSIDIARY, ALTON INTERNATIONAL RESOURCES PTE LTD**

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The Board of Directors of Federal International (2000) Ltd (the "Company" and together with its subsidiaries, the "Group") wishes to announce that the Company's wholly-owned subsidiary, Alton International (S) Pte Ltd ("Alton"), has increased its investment in its subsidiary, Alton International Resources Pte Ltd ("AIR"), by acquiring an additional 19% shareholdings comprising 190,000 unpaid shares from the other 2 shareholders of AIR, Gary Tan and Lim Lee Leng.

The consideration of \$190,000 to be paid by Alton to AIR for the above shares would be by way of capitalisation of monies owing from AIR.

Following the said acquisition of shares, Alton's shareholdings in AIR increased from 51% to 70%. The shareholdings of the other 2 shareholders, Gary Tan and Lim Lee Leng, decreased from 24.5% each to 14.5% and 15.5% respectively.

The Group's additional investment in AIR is funded by internal resources. It is not expected to have a material impact on the Company's net tangible assets or earnings per share 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 transaction.

By Order of the Board

Chng Geok  
Director/Company Secretary

29 July 2008