

FEDERAL INTERNATIONAL (2000) LTD

(Incorporated in Singapore)

Company Registration No. 199907113K

**INCREASE IN INVESTMENT IN SUBSIDIARY
– EASTERN JASON FABRICATION SERVICES PTE LTD**

The Board of Directors of Federal International (2000) Ltd (the “Company”) wishes to announce that the Company has entered into a Sale and Purchase Agreement with Mr Keong Ho Peng to acquire Mr Keong’s 50% shareholding in Eastern Jason Fabrication Services Pte Ltd (“Eastern Jason”) comprising 225,000 shares for a cash consideration of S\$1.00.

The consideration was arrived at on a willing buyer, willing seller basis and after taking into account Eastern Jason’s net tangible liability of S\$182,000 as at 5 October 2007.

Eastern Jason has been dormant during the financial year.

Following the said acquisition of shares, the Company’s shareholding in Eastern Jason would increase from 50% to 100%. Eastern Jason would become a wholly-owned subsidiary of the Company. This is in line with the Company’s ongoing efforts to streamline and 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 2007.

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

16 October 2007