



## FEDERAL INTERNATIONAL (2000) LTD

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### NEWS RELEASE

Minority shareholder of Federal International (Shanghai) Co. Ltd exercises call option to acquire a 25% stake from Federal Hardware Engineering Co Pte Ltd

**April 27, 2005, Singapore** – Mainboard-listed Federal International (2000) Ltd ("Federal") today announced that pursuant to the options agreement signed on 12 April 2002 and the announcements dated 20<sup>th</sup> September 2002 and 23<sup>rd</sup> September 2002, Mr Deng Guan Qun, a minority shareholder of Federal International (Shanghai) Co Ltd ("FIS"), has exercised the call option granted to him to acquire the balance of 15% beneficial interest in FIS at cost price, total amounting to US\$30,000, from Federal Hardware Engineering Co. Pte Ltd ("FHE"), a wholly owned subsidiary of Federal.

FHE owns a direct 65% shareholding in FIS. Mr Deng, who is currently the General Manager of FHE's Marine Department, already has a 20% stake in FIS. At the date of incorporation of FIS, Mr Deng has a 10% direct interest and he has subsequently exercised 10% of his call option in 2003.

FIS was established in September 2002 to undertake the trading and procurement of specialized valves and other flowline control products within the Free Trade Zone in China.

The disposal is not expected to have any material impact on the Group's consolidated earnings per share or the net tangible assets for the financial year ending 31 December 2005.

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

#### **About Federal International (2000) Ltd**

Federal is a value-added distributor and provider of turnkey EPC (engineering, procurement & construction) solutions for the energy & infrastructure industries. Currently, the group is principally involved in the distribution of flowline control products (e.g. valves, structural steel, steel flanges/ connectors and pipe fittings) to the oil and gas, power, chemical and pharmaceutical industries.

Through its subsidiary Houston-based HP & T Products, Inc. and its strategic stakes in KVC Co., Ltd (Japan) and KVC (UK) Ltd -- companies which are involved in upstream activities such as research & development and, manufacturing of valves and valve-related equipment -- Federal is moving up the value chain as it aims to be an integrated service provider and procurement specialist in the energy and infrastructure industries.

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Release issued on behalf of Federal International (2000) Ltd  
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