



CosmoSteel Holdings Limited
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CosmoSteel and Federal in JV to target energy projects in Asia Pacific

SINGAPORE – 23 November 2007 – CosmoSteel Holdings Limited (“CosmoSteel”) and Federal International (2000) Ltd (“Federal”) today announced the formation of a joint venture investment vehicle to target energy projects in the Asia Pacific region.

The new company, which will be called **KVA Energy Pte Ltd (KVA Energy)**, will be 50% owned by CosmoSteel’s wholly-owned subsidiary, **Kim Seng Huat Hardware Pte Ltd (“KSH Hardware”)**, and 50% owned by Federal’s wholly-owned subsidiary, **Alton International (S) Pte Ltd (“Alton”)**.

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CosmoSteel is a leading supplier and distributor of piping system components to the Energy and Marine industries in Southeast Asia, while Federal is an integrated engineering, procurement specialist and marine logistics service provider supporting the energy and infrastructure sectors in the region.

From the complementary nature of the business operations, CosmoSteel expects synergies to arise from the strategic partnership which will allow the two parties to combine resources, skill sets and market contacts to jointly explore investment opportunities in energy and energy-related projects in the Asia Pacific region.

“We are excited by the enhanced prospects for growth that this joint venture offers,” said Mr Ong Chin Sum, Chief Executive Officer of CosmoSteel. “Given the highly complementary nature of our operations and geographic footprint, this is a logical and compelling combination that we expect will create significant value for shareholders.”

“For a start, KVA Energy will draw on the respective strengths of CosmoSteel and Federal to invest in energy and energy-related projects in the region. The company has already identified a number of opportunities and sees an exciting future. We look forward to working with Federal to jointly develop the business,” added Mr Ong.

Commented Mr K K Koh, Chairman and CEO of Federal International, “We are proud to be working together with CosmoSteel to tap exciting business opportunities in the Asia Pacific’s energy sector. As Federal establishes its foothold in the energy sector, we will continue to

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develop strategic partnerships to capitalise on the rising global demand for energy and energy-related services.

Mr Koh continued, "This partnership demonstrates our commitment to become an integrated service provider in the energy sector. In pursuing this opportunity, we are very excited to be working together with CosmoSteel. We believe that KVA Energy will benefit tremendously from the strengths of both Federal and CosmoSteel and the resultant synergies from this collaboration.

About CosmoSteel

Backed by a 23-year track record, CosmoSteel Holdings Limited, the holding company of Kim Seng Huat Hardware Pte Ltd, has a strong reputation as a supplier and distributor of piping system components.

End-users for its products are typically companies engaged in the design, engineering and/or fabrication works mainly in the Energy, Marine and other industries in Southeast Asia.

CosmoSteel carries an extensive inventory of approximately 10,000 line items across its three main product categories of pipes, fittings and flanges, comprising mainly of carbon steel or stainless steel products. As part of its value-added services, it also provides machining services to customise its products according to customers' specific requirements.

CosmoSteel sources its products from a wide network of manufacturers and suppliers from Europe, US and Asia including Japan and the PRC, who have a proven track record in product quality and delivery capabilities.

Product quality, timeliness and reliable customer deliveries are the foundation to the success of its business. As an endorsement of its quality assurance, CosmoSteel was awarded ISO 9002:1994

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certification for sales, supply and machining of flanges, steel fittings, tubings and pipes by Bureau Veritas Quality International ("BVQI") in 2000, which was replaced with ISO 9001:2000 certification in 2003.

About Federal International

Listed on the Mainboard of the SGX-ST in 2000, Federal has moved up the value chain as it aims to be an integrated service provider and procurement specialist in the oil & gas, energy and infrastructure industries.

Over the years, Federal's business model has evolved and it is now involved in Research & Development, Design and Manufacturing as well as Trading of flowline control products and services and equipment supporting the oil & gas and related industries. The Group develops and markets its own proprietary valves for the energy and oil & gas sectors under the KVC™ brand name and other reputable brands, of which Federal is proud to be a stockist of.

In line with its strategic objective to build a business base with stable, recurring income streams, Federal has developed a new business segment - Marine Logistics – to provide chartering of vessels such as Floating & Storage Offloading vessels for offshore oil and gas upstream activities. Today, the Group is also building a strong presence in the energy sector in Asia, especially for BOO projects in Indonesia.

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