



FEDERAL INTERNATIONAL (2000) LTD
Incorporated in the Republic of Singapore
Company Registration No. 199907113K

SHARE SUBSCRIPTION AGREEMENT ENTERED INTO BY THE COMPANY

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Federal International (2000) Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 15 August 2025, entered into a share subscription agreement (the “**SSA**”) with SRE Holdings Investment and Development Joint Stock Company (“**SRE HoldCo**”) and its shareholders, namely Mr Phan Thanh Hai, Mr Vu Van Thieu, Mr Phan Huy Hoang, Mr Dang Xuan Manh and Mr Nguyen Mai Du (collectively, the “**SRE Shareholders**”) to subscribe for 244,355 new ordinary shares of par value VND10,000 each in the charter capital of SRE HoldCo (hereinafter referred to as the “**Subscription**”).

Where applicable, the exchange rate used for the purpose of this announcement for amounts denominated in Vietnam Dong (“**VND**”) is S\$1: VND20,492 and for amounts denominated in United States Dollars is US\$1: S\$1.2735 (being the applicable rate as at 30 June 2025).

2. INFORMATION ON SRE GROUP OF COMPANIES AND SRE SHAREHOLDERS

Information relating to SRE Group and the SRE Shareholders in this paragraph is provided by SRE HoldCo and the SRE Shareholders.

Mr Phan Thanh Hai and Mr Vu Van Thieu (the “**Key Shareholders**”) established Southern Renewable and Green Energy Company Limited (“**SRE**”) in 2019 to carry on the business of steel processing and fabrication, primarily associated with the fabrication of components for onshore and offshore wind towers in Vietnam. Both Mr Phan Thanh and Mr Vu Van Thieu have extensive technical, operational as well as leadership experience in the Vietnam energy markets.

One of SRE’s key advantages is its low cost fabrication model which enhances its competitiveness. Another advantage is its a high-level quality management system which has been approved by wind turbine manufacturers. SRE is the sole plant with heavy steel structure fabrication facilities in Vietnam. SRE’s current annual capacity for SAW (Submerged Arc Welding) products is 120,000 metric ton. The certifications obtained by SRE include ISO 9001, API Q1, ISO 14001, ISO 45001, ISO 3834-2 and API 2B.

In 2023, the Key Shareholders along with the rest of SRE Shareholders jointly established a holding company, SRE HoldCo, and thereafter SRE became a 99% owned subsidiary of SRE HoldCo. SRE remains the operating company for the SRE HoldCo’s steel processing and fabrication business for onshore and offshore wind towers in Vietnam.

3. RATIONALE FOR THE SUBSCRIPTION

In making the Subscription, the Directors have taken into account, *inter alia*, the following factors:

- a) the SRE group of companies operates with a distinct competitive edge, maintaining a low-cost production model through optimised operational efficiencies and access to Vietnam's cost-competitive labour and fabrication ecosystem. SRE is uniquely positioned as the sole certified heavy structural steel manufacturer in Vietnam, holding internationally recognised certifications and industry-specific standards, ensuring compliance with global quality and safety benchmarks; and
- b) the Subscription provides the Group with an avenue to participate in the energy industries in Vietnam through collaboration with the SRE group of companies.

Accordingly, the Directors are of the view that the Subscription is in the interest of the Group.

4. CONSIDERATION

- 4.1 The purchase consideration for the additional chartered capital (the "**Consideration**") under the SSA is US\$1,050,000 (equivalent to VND26,649,000,000 based on an exchange rate of US\$1: VND25,380 being prevailing exchange rate quoted by the Vietcombank as at 31 March 2025). This was arrived at following arms-length negotiations between the Company, SRE Holdco and SRE Shareholders, on a willing-buyer willing-seller basis, taking into account the track record and profitability of the SRE group of companies during the track record period.
- 4.2 The Consideration will be fully satisfied in cash and will be funded from the internal resources of the Group.

5. SALIENT TERMS OF THE SUBSCRIPTION

Pursuant to the SSA, the Company will subscribe for 244,355 ordinary shares of par value VND10,000 each in the charter capital of SRE HoldCo for a consideration of US\$1,050,000 (equivalent to VND26,649,000,000), representing approximately 8.82% of its enlarged issued share capital (the "**Subscription Shares**").

Pursuant to the Subscription Agreement, the proceeds from the Subscription shall be used solely for the purpose of acquiring machineries and equipment for SRE's operational expansion.

It is a condition precedent to the completion of the Subscription under the terms of the SSA that SRE HoldCo and the SRE Shareholders enter into a shareholders' agreement with the Company to regulate the affairs of SRE HoldCo and its group of companies and the respective rights of SRE HoldCo's shareholders (the "**SHA**"). In addition, pursuant to the SHA, the Company shall have the right to appoint one observer of the board of directors of SRE HoldCo if necessary.

The salient terms of the SHA are more particularly set out in paragraph 6 below.

Upon the completion of the Subscription, the revised shareholding structure is illustrated in the table below:

	Name of shareholders	No. of ordinary shares	Percentage of shareholdings (%)
1	Phan Thanh Hai	757,500	27.35
2	Vu Van Thieu	631,250	22.79
3	Phan Huy Hoang	505,000	18.24
4	Dang Xuan Manh	378,750	13.68
5	Nguyen Mai Du	252,500	9.12
6	The Company	244,355	8.82
	Total	2,769,355	100.00

5.1 Conditions Precedent

- 5.1.1 The SSA contains customary conditions precedent as well as customary representations and warranties from SRE HoldCo and SRE Shareholders.
- 5.1.2 If any of the conditions precedent is not fulfilled (or waived by the Company) by the long stop date which falls on 15 September 2025, the Company shall have the right to terminate the SSA by written notice to SRE HoldCo (without prejudice to any rights that may have accrued to the Company before such rescission). In such event, neither party shall have any claim under the SSA for any nature whatsoever against the other party.

5.2 Governing Law

The SSA shall be governed by and construed in accordance with the laws of Vietnam.

6. SALIENT TERMS OF THE SHA

The salient terms of the SHA are as follows:

6.1 Transfer of Shares

- 6.1.1 *Moratorium* - For a period of the first two years from the Completion Date of the SHA, SRE Shareholders shall not transfer or assign any or all of its shares in SRE, without prior written consent of the Company.
- 6.1.2 *Pre-emption right* – Subject to the provisions in the SHA, the Company and the SRE Shareholders shall have the right to sell or transfer all or any part of its shares to a third party, provided the Company and SRE Shareholders shall first offer to transfer these shares to the Company and other SRE Shareholders (referred to as the “non-transferring shareholders”) in proportion to their respective shares in SRE HoldCo on equal terms in accordance with the pre-emption procedures set out in the SHA and the non-transferring shareholders have declined to exercise its rights thereunder.
- 6.1.2 *Co-sale right* – SRE Shareholders have granted a right to the Company, *inter alia*, to enable it to sell its shares along with any SRE Shareholder in the event that such SRE Shareholder shall sell his shares to a third party, on a *pro-rata* basis on terms no less favourable than those offered by the third party buyer for such of the SRE Shareholder's shares.

6.2 Anti-Dilution

Unless decided otherwise at SRE's general shareholders' meeting, if SRE HoldCo increases the charter capital or issues additional securities, the Company shall have a pre-emptive right *pro rata* to their holding of the ordinary shares to maintain its percentage ownership in the fully diluted equity of SRE. The Company will have the right to purchase such Charter Capital or additional securities on terms (including price) at least equivalent to those of an offer made to another investor.

6.3 Reserved Matters

The SHA sets out certain matters which require the prior approval of the Company before they may be undertaken by the SRE group of companies.

6.4 Right of Participation in Tenders

The Existing Shareholders and SRE HoldCo have agreed that in respect of any tender for project by SRE HoldCo, the Company shall be given the right of participation to supply any products required. Such participation shall be in good faith and reasonable market practice.

6.5 Governing Law

The SHA shall be governed by and construed in accordance with the laws of Vietnam.

7. NET TANGIBLE ASSETS OF SRE HOLDCO

The net tangible assets (“NTA”) of SRE Holdco based on its unaudited consolidated financial statements as at 30 June 2025 was approximately VND54.8 billion (equivalent to S\$2.67 million) based on an exchange rate of S\$1: VND20,492 being the applicable rate as at 30 June 2025.

8. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

8.1 The relative figures in relation to the Subscription computed on the applicable bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Listing Manual**”) and based on the latest unaudited consolidated financial statements of the Group for the financial period ended 30 June 2025 (“**1H2025**”) are set out below:

Rule 1006	Bases	Relative Figures (%) ⁽¹⁾
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	Net profit attributable to the assets acquired or disposed of, compared with the Group's net profits.	0.79% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	5.80% ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾

Rule 1006	Bases	Relative Figures (%) ⁽¹⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable ⁽⁵⁾

Notes:

(1) Percentage figures are rounded to the nearest two (2) decimal place.

(2) Computed based on the net profits attributable to Subscription, representing 8.82% equity interest in SRE HoldCo, of S\$29,000 based on SRE HoldCo's unaudited financial statements for 1H2025 and the Group's net profits of S\$3,648,000 in 1H2025. The indicative exchange rate used for the computation is S\$1: VND20,492, being the applicable rate as at 30 June 2025.

(3) Computed based on the consideration of S\$1,337,000 (or US\$1,050,000) and the Company's market capitalisation of S\$23,069,000. The indicative exchange rate used for the computation of consideration is US\$1: S\$1.2735; being the applicable rate as at 30 June 2025.

The Company's market capitalisation is calculated by multiplying the 140,667,484 shares by the weighted average price of S\$0.164 per share as at 14 August 2025, being the market day immediately preceding the date of the SSA.

(4) This basis is not applicable as there will be no issuance of equity securities by the Company in relation to the Subscription.

(5) Not applicable, as there is no disposal of mineral, oil or gas assets.

8.2 Rule 1010 of the Listing Manual states, inter alia, that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 5% but does not exceed 20%, the transaction is classified as a "discloseable transaction". The relative figures for the Subscription as computed on the bases set out in Rule 1006 of the Listing Manual exceed 5% but does not exceed 20%. As such, the Subscription will be classified as a "discloseable transaction" for the purpose of Chapter 10 of the Listing Manual.

9. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The financial figures set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial performance of the Group after the Subscription. No representation is made as to the actual financial position and/or results of the Group after the completion of the Subscription.

There are no financial effects of the Subscription on NTA per share and earnings per share ("**EPS**"), which are computed based on the following bases and assumptions:

- the financial effect on the NTA per share is computed based on the assumption that the Subscription had been effected on 31 December 2024 (being the end of the latest audited financial year for the Group); and
- the financial effect on the EPS is computed based on the assumption that the Subscription had been effected on 1 January 2024 (being the beginning of the latest audited financial year for the Group).

NTA per share

Particular	Before the Subscription	After the Subscription
NTA (S\$ '000)	66,780	66,780
Number of issued shares excluding treasury shares ('000)	140,667	140,667
NTA per share (cents)	47.47	47.47

EPS

Particulars	Before the Subscription	After the Subscription
Profit attributable to shareholders of the Company (S\$ '000)	3,886	3,886
Weighted average number of issued shares excluding treasury shares ('000)	140,667	140,667
EPS (cents)	2.76	2.76

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Subscription. Accordingly, no service contract is proposed to be entered into between the Company and any such person in relation to the appointment as a Director, in connection with the Subscription.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their shareholdings in the Company (if any), none of the Directors or controlling shareholders (as defined in the Listing Manual) of the Company has any interest, direct or indirect, in the Subscription.

12. FURTHER ANNOUNCEMENTS

The Company will make such further announcements at the appropriate juncture as and when there are material developments in relation to the Subscription.

13. CAUTION IN TRADING

Shareholders and potential investors of the Company are advised to read this announcement and the other announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
FEDERAL INTERNATIONAL (2000) LTD.

Mr Koh Kian Kiong
Executive Chairman and Chief Executive Officer
18 August 2025

About Federal International (Bloomberg Code: FEDI SP)

Established in 1974 and listed on the mainboard of the Singapore Stock Exchange in 2000, Federal International (2000) Limited (“**Federal**” and together with its subsidiaries, the “**Group**”), is an integrated service provider and procurement specialist in the oil and gas, and energy industries. The Group’s main trading business contributes more than 90% of total turnover. The Group’s strategy for sustainable growth of the trading business is through forming strategic partnerships. One such partnership is with PT Gunanusa Utama Fabricators (“**PTG**”). PTG is an established EPCIC contractor and its customers include oil majors such as TOTAL, Petronas, ONGC, Pertamina, Saka Sidayu and PTTEP. The Group provides procurement services to PTG for the projects secured by PTG.

The Group also specializes in turnkey fire detection, control and suppression projects which includes the design, engineering, supply, installation and testing & commissioning, servicing and maintenance. Over the years, strategic partnerships with leading global fire detection and suppression manufacturers attest to the Group’s professionalism and integrity as a reliable fire suppression solution provider.

In addition, the Group has a design and manufacturing facility located in Scotland, the United Kingdom. The facility is American Petroleum Institute (API) Q1, Spec 6D, ISO 9001:2015 and Pressure Equipment Directive 97/23/EC (PED) certified. Products manufactured also meet the Safety Integrity Level (SIL) Qualification independently certified by Exida. The Group also owns a floating, storage and offloading (“**FSO**”) vessel through its 30% interest in an associate. The FSO is chartered to PT Pertamina Hulu Energi OSES.

Over the years, Federal is proud to have been awarded ISO certification, an internationally recognised standard that ensures we meet the needs of our clients through an Integrated Management System.