

**COSMOSTEEL HOLDINGS LIMITED**  
(Company Registration No.: 200515540Z)  
(Incorporated in the Republic of Singapore)

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**SHARE SUBSCRIPTION AGREEMENT ENTERED INTO BY THE COMPANY'S SUBSIDIARY,  
KIM SENG HUAT HARDWARE PTE. LTD.**

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**1. INTRODUCTION**

The Board of Directors (the "**Directors**") of Cosmosteel Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Cosmosteel Group**"), wishes to announce that its wholly-owned subsidiary, Kim Seng Huat Hardware Pte. Ltd. ("**KSH**") had, on 28 March 2025, entered into a share subscription agreement (the "**SSA**") with SRE Holdings Investment and Development Joint Stock 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 488,710 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:VND19,001 and for amounts denominated in United States Dollars is US\$1:S\$1.3452 (being the applicable rate as at 24 March 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.

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 as part of a restructuring exercise to streamline the

interests of shareholders and the group of companies there was established as part of SRE's expansion. Under this arrangement, SRE became a wholly-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.

The Group has been supplying steel products to SRE since 2023.

Information on the Key Shareholders is as follows:

Mr Phan Thanh Hai is an experienced professional in the oil and gas industry with strong commercial, operational, and management capabilities, particularly in Vietnam-based operations. He has experience building and developing commercial departments, managing projects for EPCI packages and drilling campaigns, contract negotiation, execution and management, and recruiting, training and managing staff. He graduated with a Bachelor of Science from Foreign Trade University, Ho Chi Minh City in 2002.

Mr Vu Van Thieu is an experienced executive with a strong blend of technical knowledge, commercial acumen, and leadership capabilities, particularly in energy sector construction projects. As Chief Executive Officer of SRE, he developed strategic business plans aligned with organisational objectives, led and coached the senior management team, managed company finances and identified investment opportunities, and built strong industry relationships. He graduated with a Bachelor of Mechanical Engineering from Hanoi University of Science and Technology in 2008 and a Master of Business Administration from TOPICA TVU in 2014.

### 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.
- (b) the Subscription provides the Group with an avenue to diversify its sales channel into the wind energy industries in Vietnam, an emerging market in the wind energy industries, through a collaboration with the SRE group of companies;
- (c) the Subscription aligns with the Group's long-term vision to diversify supply sources, mitigate geopolitical risks, and support the global transition to sustainable energy; and
- (d) the SRE group of companies is helmed by strong and experienced management team led by Mr Phan Thanh Hai and Mr Vu Van Thieu with significant knowledge of

the Vietnam steel market and will be able to assist the Group with its regional expansion.

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 VND53,676,000,000 (equivalent to US\$2,100,000 based on an exchange rate of US\$1:VND25,560 being the applicable rate as at 24 March 2025). This was arrived at following arms-length negotiations between KSH, 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, KSH will subscribe for 488,710 ordinary shares of par value VND10,000 each in the charter capital of SRE HoldCo for a consideration of VND53,676,000,000 (equivalent to US\$2,100,000), representing approximately 16.2% 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 KSH 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 board of directors of SRE HoldCo and the members’ council of SRE shall consist of the SRE Shareholders and one member nominated by KSH.

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:

S/n	Name of shareholders	No. of ordinary shares of VND10,000	Percentage of shareholdings (%)
1	Phan Thanh Hai	757,500	25.1
2	Vu Van Thieu	631,250	20.9
3	Phan Huy Hoang	505,000	16.8

4	Dang Xuan Manh	378,750	12.6
5	Nguyen Mai Du	252,500	8.4
6	KSH	488,710	16.2
	Total	3,013,710	100.0

## 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 KSH) by the long stop date which falls on 15 May 2025, KSH shall have the right to terminate the SSA by written notice to SRE HoldCo (without prejudice to any rights that may have accrued to KSH before such rescission). In such event, neither party shall have any claim under the SSA for any nature whatsoever against the other party.

## 6. SALIENT TERMS OF THE SHA

The salient terms of the SHA are as follows:

### 6.1 Management and Control of SRE HoldCo

- 6.1.1 The board of directors of SRE HoldCo and the members' council of SRE shall consist of six members, five of which shall be the current directors being the SRE Shareholders and one of whom shall be a newly-appointed member nominated by KSH.
- 6.1.2 The legal representative of SRE HoldCo shall be Mr. Phan Thanh Hai.

### 6.2 Transfer of Shares

- 6.2.1 *Moratorium* - For a period of the first two years from the Completion Date of the SSA, SRE Shareholders shall not transfer or assign any or all of its shares in SRE, without prior written consent of KSH.
- 6.2.2 *Pre-emption right* – Subject to the provisions in the SHA, KSH 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 KSH and SRE Shareholders shall first offer to transfer these shares to KSH 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.
- 6.3.2 *Co-sale right* – SRE Shareholders have granted a right to KSH, *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.

### 6.3 Anti-Dilution

Unless decided otherwise at SRE's general shareholders' meeting, if SRE HoldCo increases the charter capital or issues additional securities, KSH 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. KSH 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.

### 6.4 Reserved Matters

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

### 6.5 Right of First Refusal

The Existing Shareholders and SRE HoldCo have agreed that in respect of all primary structural steel products required by SRE which are capable of being supplied or provided by KSH, KSH shall have the right of first refusal to supply such products to SRE at such price and on such terms no less favourable than that offered by a third party.

## 7. VALUATION OF SRE HOLDCO

The net book value of SRE Holdco based on its unaudited consolidated financial statements as at 31 December 2023 was approximately VND65.8 billion (equivalent to S\$3.5 million based on an exchange rate of S\$1:VND19,001 being the applicable rate as at 24 March 2025).

## 8. FINANCIAL EFFECTS

The financial effects of the Subscription on the net tangible assets per share and the earnings per share of the Company for the financial year ending 2025 are not expected to be significant.

## 9. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006

The relative figures for the Subscription computed on the bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") and based on the Group's latest announced consolidated financial statements, being the unaudited consolidated statement of profit or loss and other comprehensive income, consolidated statements of financial position and consolidated statement of cash flows for the first quarter of the financial year ending 30 September 2025 ("**1QFY2025**") are set out below:

Rule	Bases	Relative
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1006		Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	8.5% <sup>(1)</sup>
(c)	Aggregate value of the consideration given compared with the Company's market capitalisation based on the total number of issued shares in the Company, excluding treasury shares	8.6% <sup>(2)</sup>
(d)	Number of equity securities issued by the Company as consideration for the Joint Venture, compared with the number of equity securities previously in issue	Not applicable
(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	Not applicable

**Notes:-**

- (1) The Group's unaudited consolidated net profit after tax for 1QFY2025 was S\$2,489,000. The unaudited consolidated net profit after tax for FY2023 attributable to the asset (being 16.2% of SRE HoldCo's total issued shares) was approximately S\$212,661 computed based on an exchange rate of S\$1:VND19,001.
- (2) Computed based on the investment amount of USD2,100,000 (approximately S\$2,825,000 computed based on an exchange rate of US\$1:S\$1.3452) and the market capitalisation of the Company of approximately S\$32,670,000, which was determined by multiplying the number of issued shares excluding treasury shares of the Company by the weighted average price of such shares transacted on 27 March 2025, being the last day on which shares were traded on SGX-ST preceding the date of the SSA.

Based on the above, the Investment constitutes a "**discloseable transaction**" under the Listing Manual and Shareholders' approval is not required.

**10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors and the controlling shareholders of the Company have any interest or are deemed to be interested in the Subscription, save for their respective shareholdings in the Company.

**11. 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 connection with the Subscription.

**12. MISCELLANEOUS**

A copy of the SSA is available for inspection by prior appointment during normal business hours at the registered office of the Company at 14 Lok Yang Way, Singapore 628633 for 3 months from the date of this announcement.

**13. TRADING CAUTION**

Shareholders are advised to exercise caution in trading their Shares. The Subscription is subject to certain conditions as at the date of this announcement and there is no assurance or certainty that the Subscription will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board