



FEDERAL INTERNATIONAL (2000) LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199907113K)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Federal International (2000) Ltd (the "Company") will be held at The Conference Room, 47 Genting Road, Singapore 349489 on 28 October 2004 at 3.00 p.m. for the purpose of considering and if thought fit, passing with or without amendments, the following ordinary resolutions and special resolution:-

Proposed Warrants Issue — Ordinary Resolution 1

"That a renounceable rights issue (the "Warrants Issue") of up to 42,058,530 Warrants (the "Warrants"), at an issue price of S\$0.08 for each Warrant ("Issue Price"), each Warrant carrying the right to subscribe for one (1) new ordinary share of S\$0.20 each in the capital of the Company ("New Share") at an exercise price of S\$0.22 for each New Share ("Exercise Price") on the basis of one (1) Warrant for every five (5) ordinary shares of S\$0.20 each held by shareholders of the Company (the "Shareholders") as at a time and date to be determined (the "Books Closure Date"), fractional entitlements of a Warrant to be disregarded, be and is hereby approved and authority be and is hereby given to the directors of the Company (the "Directors"):-

- (a) to provisionally allot and issue up to 42,058,530 Warrants by way of a renounceable rights issue at the Issue Price on the basis of one (1) Warrant for every five (5) ordinary shares of S\$0.20 each in the capital of the Company ("Shares") as at the Books Closure Date, fractional entitlements to be disregarded, or otherwise on such terms and conditions as the Directors may determine, including, if the Directors think fit, the following terms:-
- (i) that the provisional allotments of Warrants shall be made on a renounceable basis to the Shareholders with registered addresses in Singapore (as set out in the Company's Register of Members and/or Share Transfer Books or the records of The Central Depository (Pte) Limited ("CDP"), as the case may be) as at Books Closure Date or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents;
- (ii) that no provisional allotment of Warrants shall be made in favour of, and no provisional allotment letters, application forms or other documents in respect thereof shall be issued or sent to Shareholders who, as at the Books Closure Date, do not have registered addresses in Singapore (as set out in the Company's Register of Members and Share Transfer Books or the records of CDP, as the case may be) and who have not, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "Foreign Shareholders"); and
- (iii) that the provisional allotments of Warrants which would otherwise accrue in favour of the Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit and that, in connection therewith, the Directors be and are hereby authorised to provisionally allot such Warrants to such person(s) as they shall determine as nominee(s) for the purpose of renouncing the provisional allotment letters or application forms relating thereto or disposing of such Warrants to purchasers thereof and to pool and thereafter distribute the proceeds, if any, thereof (after deducting all dealing and other expenses in connection therewith) to and amongst such Foreign Shareholders in the proportion of their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be retained for the sole benefit of the Company or otherwise dealt with as the Directors deem fit;
- (b) to aggregate and allot the Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) or which represent fractional entitlements disregarded in accordance with the terms of the Warrants Issue to satisfy excess applications for the Warrants or otherwise dispose of or deal with the same in such manner and on such terms and conditions of the Warrants as the Directors may deem fit in the interests of the Company;
- (c) to create, allot and issue the Warrants in registered form, each Warrant carrying the right, at any time from the date of issue of the Warrants up to the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants, to subscribe for one (1) New Share at an exercise price of S\$0.22 per Warrant (which shall be subject to adjustment under such circumstances as may be provided in the terms and conditions of the Warrants) and on such other terms and conditions as the Directors determine;
- (d) to create, allot and issue such additional warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants (any such additional warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Warrants);
- (e) to allot and issue (notwithstanding that the issue thereof may take place after the next or any ensuing general meeting of the Company):-
- (i) up to 42,058,530 New Shares arising from the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants, such New Shares to be credited as fully paid when issued and to rank *pari passu* in all respects with the then existing Shares save that they shall not rank for any dividends, rights, allotments or other distributions that may be declared or paid before the date of exercise of the Warrants; and
- (ii) on the same basis as paragraph (e)(i) above, to allot and issue such additional New Shares as may be required to be allotted and issued on the exercise of any of the additional warrants referred to in paragraph (d) above; and
- (f) any Director be and is hereby authorised to prepare, finalise, approve and execute any instruments, announcements, notices or agreements as may be required in connection with or pursuant to the abovementioned resolutions, make such amendments to the terms and conditions of the Warrants Issue (including the Issue Price and the Exercise Price of the Warrants) and to do such other acts, take such other steps and to exercise such discretion for and on behalf of the Company as he may deem necessary or desirable to implement, perfect or give effect to the above and to the transactions contemplated thereunder."

Increase in Authorised Share Capital of the Company — Ordinary Resolution 2

"THAT the authorised share capital of the Company be increased from S\$55,000,000 divided into 275,000,000 ordinary shares of par value S\$0.20 each ("Shares") to S\$100,000,000 divided into 500,000,000 Shares by the creation of an additional 225,000,000 new Shares."

Amendments to the Articles of Association of the Company — Special Resolution

"THAT the Articles of Association of the Company be and are hereby amended in the manner set out in Appendix II to the circular to shareholders of the Company dated 5 October 2004."

New Share Issue Mandate — Ordinary Resolution 3

"That contingent upon the passing of the Special Resolution above, authority be and is hereby given to the Directors to:

- (a) (i) issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this resolution ("Resolution") may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,
- provided that:
- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time of the passing of this Resolution, after adjusting for,
- (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
- (b) any subsequent consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

BY ORDER OF THE BOARD

Chng Geok
Hazel Chia
Company Secretaries
Date: 5 October 2004

Notes:-

- A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 47 Genting Road, Singapore 349489 not later than 48 hours before the time appointed for the holding of the Extraordinary General Meeting.
- The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.