



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

SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

Federal Reports Revenue of S\$21.2 million in 1H2018

- Revenue declined 67.4% to S\$21.2 million in 1H2018 as a result of the near completion of Zawtika Development Project Phase 1C and recognised lesser sales
- Group expects the operating environment in the offshore marine, oil and gas sectors to remain challenging despite signs of recovery in oil prices

Singapore, 12 August 2018 – Federal International (2000) Limited (“Federal” or the “Group”), an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries, announced its financial results for the six months ended 30 June 2018 (“1H2018”).

Financial Highlights	2Q2018	2Q2017	Chg	1H2018	1H2017	Chg
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	7,398	43,727	(83.1)	21,226	65,178	(67.4)
Gross profit	1,975	6,304	(68.7)	4,794	10,847	(55.8)
Gross profit margin	26.7%	14.4%	12.3 pts	22.6%	16.6%	6 pts
Other income	1,506	546	175.8	1,965	957	105.3
Total operating expenses	(3,865)	(4,809)	(19.6)	(8,549)	(9,505)	(10.1)
Net (loss) / profit after tax attributable to equity holders	(228)	1,222	N.M.	(1,204)	1,632	N.M.
Basic earnings per share (cents)*	(0.16)	0.87	N.M.	(0.86)	1.16	N.M.

Note: N.M. denotes Not Meaningful and pts denotes Percentage Points

* Based on a weighted average number of 140,767,484 ordinary shares for the 3 months and 6 months ended for 30 June 2018 and 30 June 2017.



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Financial Review

The Group's revenue declined 67.4% to S\$21.2 million in 1H2018 due to lower sales being recognised under its Trading business segment. This was mainly due to the near completion of the Zawtika Development Project Phase 1C. Despite gross profit dropping by 55.8% to S\$4.8 million due to lower revenue recognition, the Group's gross profit margin improved from 16.6% in 1H2017 to 22.6% in 1H2018. In addition, the Group registered other income of S\$2.0 million in 1H2018 mainly because of a late payment interest of S\$610,000 from an investee company and customers.

Due to lower sales in 1H2018, the Group incurred 10.1% lower total operating expenses of S\$8.5 million. The Group also reported a one-time loss from the disposal of an associate, Federal JWR Energy Pte Ltd, of S\$442,000 under other operating expenses.

The operating environment in the offshore marine sector continued to be challenging in 1H2018. Overall, Federal posted a net loss after tax attributable to equity holders of S\$1.2 million for 1H2018. As of 30 June 2018, the Group maintained a healthy balance sheet with cash and cash equivalents of S\$9.3 million.

Business Outlook

Since 2017, the Group has formed various strategic alliances with regional partners listed in Indonesia, China and Malaysia respectively to pursue higher value projects in the region. The Group is actively seeking for more opportunities in the recovering oil and gas sector while opening up to more joint venture agreements with other potential business partners to co-bid for projects.

Despite the recent recovery in oil prices, the oil and gas sector still faces intense competition. The oil and gas market remains volatile within the region. The Group will continue with its cost management and the Group will also actively explore entry into new potential markets.

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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" or 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 98% of total turnover. The Group's strategy for sustainable growth 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 and PTTEP. The Group provides procurement services to PTG for the projects secured by PTG.

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 the China National Offshore Oil Corporation. The Group has a 1,200 HP American built land drilling rig. The Group also operates an industrial water plant in the People's Republic of China under a 30-year Build, Operate and Transfer agreement with the local Xinjin County government.

Issued for and on behalf of Federal International (2000) Ltd

By Financial PR Pte Ltd

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