



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

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**REPLY TO SGX QUERIES REGARDING THE COMPANY'S INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2023 ("FY2023")**

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The Board of Directors (the "**Board**") of Federal International (2000) Ltd (the "**Company**", together with its subsidiaries, the "**Group**") would like to provide the following information in response to the queries from the SGX-ST.

**Query 1:**

Please provide the breakdown of ageing between trade receivables from third parties and associates (further breakdown by respective associates).

**Company's response:**

The breakdown of ageing between trade receivables from third parties and associates as at 31 December 2023 are as follows:

<b><u>Third parties</u></b>	<b>Gross carrying amount</b>	<b>Credit loss allowance</b>	<b>Net carrying amount</b>
<b>Group</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>31 December 2023</u></b>			
Current (not past due)	6,612	(20)	6,592
1 – 120 days past due	1,728	–	1,728
More than 120 days past due	10,797	(7,345)	3,452
	<u>19,137</u>	<u>(7,365)</u>	<u>11,772</u>

Trade receivables from associate consist of amount due from PT Gunanusa Utama Fabricators ("**PTG**"):

<b><u>Associate</u></b>	<b>Gross carrying amount</b>	<b>Credit loss allowance</b>	<b>Net carrying amount</b>
<b>Group</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>31 December 2023</u></b>			
Current (not past due)	18	–	18
1 – 120 days past due	276	–	276
More than 120 days past due	15,664	–	15,664
	<u>15,958</u>	<u>–</u>	<u>15,958</u>

**Query 2:**

Please provide information on the following:

- What were the actions taken to recover the trade receivables from (i) third parties, and (ii) associates;
- What is the Board's assessment of the recoverability of the and the bases for such an assessment;
- To clarify if any of these trade receivables from (i) third parties, and (ii) associates are major customer(s) and whether the Company continues to transact with these customer(s) and if so, what are the commercial reasons in doing so.

**Company's response:**

In the net carrying amount of trade receivables from third parties and associate (or PTG) that were more than 120 days past due as at 31 December 2023 were:

		<b>Net carrying amount</b>	<b>Actions taken to recover the trade receivables</b>
<b>Group</b>		<b>S\$'000</b>	
<b>31 December 2023</b>	<b>Note</b>		
<b>Third parties:</b>			
5 debtors in Indonesia, whose debts were secured by surety bonds issued by an insurance company	(1)	1,429	These represent the amount the Group expects to recover from these debtors and is following up with both the debtors and insurer.
An Indonesian debtor in infrastructure industry	(1)	556	Debtor has been making progressive payments amounting to S\$354,000 to the Group during FY2023. Management is satisfied that the debtor who is an established company in Indonesia is committed to repay remaining debt according to instalment plan until it is fully repaid.
A Thailand EPC contractor	(2)	877	These are retention amounts in accordance with contract terms, which are expected to be paid upon completion of final documentations. Subsequent to year end, final documentations are substantially completed and the Group expect to receive payments in the coming month.
A Singapore debtor in fire protection business	(2)	284	Amounts were fully received subsequent to year end.
Others		306	Amounts are individually less than S\$100,000. Subsequent to year end, S\$136,000 was received. Management had examined and assessed the recoverability of amounts individually based on each's financial position and is satisfied that the debtors will repay the remaining outstanding amount.
<b>Total</b>		<b>3,452</b>	
<b>Associate:</b>			
PTG	(3)	<b>15,664</b>	The Group is cautiously confident that PTG is able to make repayment from projected cash generated from its existing projects as well as recently secured projects from its customers. PTG is also expected to secure new bank financing to improve its financial position in FY2024.

The Board is satisfied that expected credit loss allowance as at 31 December 2023 was adequate on the basis that the Management and Board have examined the recoverability of trade receivables individually and collectively based on the age of debts to identify any expected credit losses. In particular, long outstanding trade receivables impairment assessment and basis are provided to justify that if no further impairment is necessary.

**Notes:**

- (1) These are not major recurring customers of the Group and the Group did not continue to transact with these customers.
- (2) These are major customers of the Group and the Group continue to transact with these customers. The Group do not face collectability issue with these customers.

- (3) PTG is a major customer and the Group continue to transact with PTG. The Group's strategy for sustainable growth of the trading business is through forming strategic partnerships. One such partnership is with 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.

By order of the Board

Koh Kian Kiong  
Executive Chairman and CEO  
27 March 2024

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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**") 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 to the majority 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 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 PT Pertamina Hulu Energi OSES. The Group has a 1,200 HP American built land drilling rig.