



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

**Unaudited Results For The Fourth Quarter and  
Twelve Months Ended 31 December 2014**

25 February 2015

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Readers are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

## Table of Contents

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	Page No.
Consolidated Statement of Comprehensive Income	1
Statements of Financial Position	5
Consolidated Statement of Cash Flows	7
Statements of Changes in Equity	10
Review of Performance	18
Outlook	23
Segmented Revenue and Results	25



Incorporated in the Republic of Singapore  
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## Unaudited Results For The Fourth Quarter And Twelve Months Ended 31 December 2014

### PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) A statement of consolidated comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

#### UNAUDITED RESULTS FOR THE FOURTH QUARTER ("4QFY2014") AND PERIOD ENDED 31 DEC 14

		Group			Group		
		3 Months Ended		Changes	12 Months Ended		Changes
		31.12.14	31.12.13		31.12.14	31.12.13	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>INCOME STATEMENT</b>							
Revenue		37,837	46,642	(18.9)	131,630	128,167	2.7
Cost of sales		(30,165)	(38,959)	(22.6)	(105,809)	(96,209)	10.0
<b>Gross profit</b>		<b>7,672</b>	<b>7,683</b>	<b>(0.1)</b>	<b>25,821</b>	<b>31,958</b>	<b>(19.2)</b>
<b>Gross profit margin</b>		<b>20.3%</b>	<b>16.5%</b>		<b>19.6%</b>	<b>24.9%</b>	
Other operating income	(i)	1,354	1,100	23.1	6,424	2,220	189.4
Selling and distribution costs		(2,756)	(3,154)	(12.6)	(5,749)	(9,727)	(40.9)
Administrative and general costs		(3,394)	(3,927)	(13.6)	(11,307)	(12,504)	(9.6)
Other operating expenses	(ii)	(3,915)	(4,792)	(18.3)	(26,301)	(3,929)	N.M.
Finance costs	(iii)	(284)	(991)	(71.3)	(2,167)	(3,802)	(43.0)
Share of results of associates		(5,110)	3,128	N.M.	(5,941)	793	N.M.
(Loss)/profit before tax	(iv)	(6,433)	(953)	N.M.	(19,220)	5,009	N.M.
Income tax expense		(1,773)	(1,330)	33.3	(2,249)	(1,648)	36.5
<b>(Loss)/profit for the period/year</b>		<b>(8,206)</b>	<b>(2,283)</b>	N.M.	<b>(21,469)</b>	<b>3,361</b>	N.M.
<b>Attributable to:</b>							
Owners of the Company		(7,921)	(1,562)	N.M.	(22,572)	4,741	N.M.
Non-controlling interests		(285)	(721)	(60.5)	1,103	(1,380)	(179.9)
		<b>(8,206)</b>	<b>(2,283)</b>	N.M.	<b>(21,469)</b>	<b>3,361</b>	N.M.

N.M. – Not Meaningful

	Group			Group		
	3 Months Ended		Changes	12 Months Ended		Changes
	31.12.14	31.12.13		31.12.14	31.12.13	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
(Loss)/profit net of tax	(8,206)	(2,283)	N.M.	(21,469)	3,361	N.M.
<b>Other comprehensive income: Items will not be reclassified to profit or loss</b>						
Net surplus on revaluation of freehold/leasehold land and buildings	2,506	4,998	(49.9)	2,506	4,998	(49.9)
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation represents other comprehensive income for the period/year, net of tax	212	12	N.M.	(796)	(671)	18.6
Share of other comprehensive income of an associate	–	1	N.M.	1	–	N.M.
<b>Other comprehensive income for the period/year, net of tax</b>	<b>2,718</b>	<b>5,011</b>	(45.8)	<b>1,711</b>	<b>4,327</b>	(60.5)
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(5,488)</b>	<b>2,728</b>	N.M.	<b>(19,758)</b>	<b>7,688</b>	N.M.
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	(5,280)	3,409	N.M.	(20,785)	8,819	N.M.
Non-controlling interests	(208)	(681)	(69.5)	1,027	(1,131)	(190.8)
	<b>(5,488)</b>	<b>2,728</b>	N.M.	<b>(19,758)</b>	<b>7,688</b>	N.M.

**N.M. – Not Meaningful**

**Notes:**

1(a)(i) Other operating income includes the following:

	3 Months Ended		12 Months Ended	
	31.12.14	31.12.13	31.12.14	31.12.13
	S\$'000	S\$'000	S\$'000	S\$'000
Commission income	–	–	13	102
Foreign exchange gain	934	78	1,633	392
Gain on disposal of assets held for sale	–	–	3,581	150
Gain on disposal of property, plant and equipment	–	747	–	754
Implicit interest income	48	41	177	158
Interest income	3	2	52	67
Other income	226	232	825	597
Share of profits from partnership	143	–	143	–
	1,354	1,100	6,424	2,220

1(a)(ii) Other operating expenses include the following:

	3 Months Ended		12 Months Ended	
	31.12.14	31.12.13	31.12.14	31.12.13
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for slow moving inventories	261	–	877	41
Bad debts written off	2	3	2	3
Depreciation (Assets not in use)	–	238	–	948
Impairment loss on doubtful receivables	85	–	126	4
Impairment loss on financial receivables	–	1,955	–	1,955
Impairment loss on goodwill	–	862	–	862
Impairment loss on goodwill of associates	918	–	1,694	–
Impairment loss on property, plant and equipment	–	6,389	–	6,412
Impairment loss on work-in-progress	–	2	–	89
Inventories written off	3	1	4	2
Loss on disposal of vessel	1,907	–	26,029	–
Net fair value loss on derivative	753	–	753	–
Other expenses	288	–	288	69
Provision for probable penalty for late delivery of vessel	–	4,384	–	4,384
Reversal of allowance for slow moving inventories	(6)	(570)	(6)	(170)
Vessel expenses	–	28	–	(17)
Write-back of impairment loss on doubtful receivables	(296)	(8,500)	(2,799)	(10,653)
Write-back of impairment loss on work-in-progress	–	–	(667)	–
	3,915	4,792	26,301	3,929

1(a)(iii) Finance costs include the following:

	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31.12.14</b>	<b>31.12.13</b>	<b>31.12.14</b>	<b>31.12.13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Interest expense on:				
- Bank overdrafts	13	5	81	95
- Hire purchase	2	1	7	11
- Term loans	140	772	1,580	3,135
- Trust receipts	129	213	499	561
	<b>284</b>	<b>991</b>	<b>2,167</b>	<b>3,802</b>

1(a)(iv) (Loss)/profit before tax is arrived at after charging the following:

	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31.12.14</b>	<b>31.12.13</b>	<b>31.12.14</b>	<b>31.12.13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Depreciation and amortisation	469	427	1,938	1,714

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative-statement as at the end of the immediately preceding financial year.**

	Group		Company	
	As At 31.12.14	As At 31.12.13	As At 31.12.14	As At 31.12.13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets:</b>				
Property, plant and equipment	37,279	35,859	7	9
Investment in subsidiaries	–	–	79,779	78,613
Investment in associates	2,749	10,159	868	4,494
Intangible assets	1	1	–	–
Other investment	20	20	–	–
Other receivables	65	62	–	–
Amount due from a related party	6,141	–	–	–
Financial receivables	2,037	1,958	–	–
Deferred tax assets	90	312	22	19
	<b>48,382</b>	<b>48,371</b>	<b>80,676</b>	<b>83,135</b>
<b>Current assets:</b>				
Asset under construction	–	42,969	–	–
Inventories	26,405	22,930	–	–
Trade and other receivables	36,075	35,076	9	4
Gross amount due from customer for work-in-progress	298	77	–	–
Advance payment to suppliers	12,483	2,519	–	–
Prepayments	287	58	13	18
Deposits	175	110	4	4
Financial receivables	708	683	–	–
Amounts due from subsidiaries	–	–	6,566	20,359
Amounts due from associates	4,176	454	24	45
Amount due from a related party	–	5,886	–	–
Fixed deposits	2,207	1,603	1,352	1,290
Cash and bank balances	14,292	19,706	134	1,743
	97,106	132,071	8,102	23,463
Assets of disposal group classified as held for sale	–	27,399	–	–
	<b>97,106</b>	<b>159,470</b>	<b>8,102</b>	<b>23,463</b>
<b>Current liabilities:</b>				
Trade and other payables	42,612	28,443	2,060	2,016
Advance payment from customers	3,770	2,279	–	–
Advance payment from an associate	–	13,191	–	–
Deferred revenue	10	20	–	–
Gross amount due to customer for work-in-progress	27	–	–	–
Amounts due to subsidiaries	–	–	1,223	11,181
Amounts due to associates	841	942	822	789
Amount due to a related party	2,101	1,803	–	–
Amounts due to bankers	29,682	23,524	–	–
Term loans	11,309	27,545	–	–
Hire purchase creditors	37	45	–	–
Derivative	753	–	–	–
Provision for income tax	4,264	6,733	306	3,324
	95,406	104,525	4,411	17,310
Liabilities directly associated with disposal group classified as held for sale	–	30,808	–	–
	<b>95,406</b>	<b>135,333</b>	<b>4,411</b>	<b>17,310</b>
<b>Net current assets</b>	<b>1,700</b>	<b>24,137</b>	<b>3,691</b>	<b>6,153</b>
<b>Non-current liabilities:</b>				
Term loans	272	3,741	–	–
Hire purchase creditors	–	37	–	–
Amount due to a subsidiary	–	–	9,211	–
Provision for post-employment benefits	5	5	–	–
Deferred tax liabilities	2,531	1,439	–	–
	<b>2,808</b>	<b>5,222</b>	<b>9,211</b>	<b>–</b>
<b>Net assets</b>	<b>47,274</b>	<b>67,286</b>	<b>75,156</b>	<b>89,288</b>

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative-statement as at the end of the immediately preceding financial year.**

	Group		Company	
	As At 31.12.14	As At 31.12.13	As At 31.12.14	As At 31.12.13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Equity attributable to owners of the Company</b>				
Share capital	144,099	144,099	144,099	144,099
Foreign currency translation reserve	(4,567)	(4,383)	–	–
Capital reserve	2,778	2,778	–	–
Revaluation reserve	16,598	14,092	–	–
Other reserves	(976)	(990)	–	–
Accumulated losses	(97,632)	(75,047)	(68,943)	(54,811)
Reserve of disposal group classified as held for sale	–	536	–	–
	60,300	81,085	75,156	89,288
Non-controlling interests	(13,026)	(13,799)	–	–
<b>Total equity</b>	<b>47,274</b>	<b>67,286</b>	<b>75,156</b>	<b>89,288</b>

**1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, please specify the following at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-**

**Amount repayable in one year or less, or on demand**

As at 31.12.14 S\$'000		As at 31.12.13 S\$'000	
Secured	Unsecured	Secured	Unsecured
41,024	4	51,114	-

**Amount repayable after one year**

As at 31.12.14 S\$'000		As at 31.12.13 S\$'000	
Secured	Unsecured	Secured	Unsecured
272	-	3,769	9

**Details of any collaterals**

The Group's secured borrowings comprise bank overdrafts, hire purchase creditors, trust receipts and term loans.

The Group's term loans, overdrafts and trust receipts (collectively known as "**Amounts due to Bankers**") are secured on:

- (i) Subsidiaries' properties located at 47 and 49 Genting Road, Singapore 349489, at 11 Tuas Avenue 1, Singapore 639496, and at 12 Chin Bee Drive, Singapore 619868;
- (ii) Bank deposits pledged by the Company and its subsidiaries;
- (iii) Corporate guarantee by the Company;
- (iv) Personal guarantee by a director of a subsidiary; and
- (v) Subsidiary's inventories.

The Group's hire purchases are secured over mortgages on plant and machinery and motor vehicles of subsidiaries.



**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Group	
	For 3 Months Ended		For 12 Months Ended	
	31.12.14	31.12.13	31.12.14	31.12.13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
(Loss)/profit before tax	(6,433)	(953)	(19,220)	5,009
<u>Adjustments for:</u>				
Amortisation of intangible assets	–	1	–	1
Depreciation of property, plant and equipment	469	426	1,938	1,713
Gain on disposal of assets held for sale (Note A)	–	–	(3,581)	(150)
Gain on disposal of property, plant and equipment	–	(747)	–	(754)
Impairment loss on financial receivables	–	1,955	–	1,955
Impairment loss on goodwill	–	862	–	862
Impairment loss on goodwill of associates	918	–	1,694	–
Impairment loss on property, plant and equipment	–	6,389	–	6,412
Implicit interest income	(48)	(41)	(177)	(158)
Interest expense	284	991	2,167	3,802
Interest income	(3)	(2)	(52)	(67)
Net fair value loss on derivative	753	–	753	–
Loss on disposal of asset under construction	1,907	–	26,029	–
Provision for probable penalty for late delivery of vessel	–	4,384	–	4,384
Share of results of associates	5,110	(3,128)	5,941	(793)
Share of other comprehensive income of an associate	–	(1)	–	–
Share of profits from partnership	(143)	–	(143)	–
Unrealised exchange gain	(366)	(175)	(428)	(224)
<b>Operating cash flows before changes in working capital</b>	<b>2,448</b>	<b>9,961</b>	<b>14,921</b>	<b>21,992</b>
<u>(Increase)/decrease in:</u>				
Inventories	(2,898)	5,158	(3,504)	2,152
Trade and other receivables	(6,716)	(3,278)	536	(16,189)
Gross amount due from customer for work-in-progress	(8)	(71)	(221)	(77)
Financial receivables	(201)	861	–	1,312
Advance payment to suppliers	(140)	(133)	(9,973)	(316)
Prepayments	536	717	(174)	68
Deposits	5	8	(60)	(1)
Deferred expenses	–	–	2	–
Amounts due from associates	(36)	782	(1,389)	(112)
<u>(Decrease)/increase in:</u>				
Trade and other payables	8,300	(1,986)	500	1,615
Bill receivables purchase	–	–	10,308	–
Gross amount due to customer for work-in-progress	27	(229)	27	–
Advance payment from customers	1,142	1,925	1,483	2,006
Deferred revenue	6	58	(10)	21
Amounts due to associates	21	100	(101)	58
Amounts due a related party	306	(95)	221	(14)
<b>Cash flows from operations</b>	<b>2,792</b>	<b>13,778</b>	<b>12,566</b>	<b>12,515</b>
Income tax paid	(607)	(8)	(3,806)	(1,740)
<b>Net cash generated from operating activities</b>	<b>2,185</b>	<b>13,770</b>	<b>8,760</b>	<b>10,775</b>

	Group		Group	
	For 3 Months Ended		For 12 Months Ended	
	31.12.14	31.12.13	31.12.14	31.12.13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from investing activities:</b>				
Interest income received	7	11	53	68
Payments made to suppliers for conversion of a vessel	(6,782)	(3,382)	(37,823)	(18,246)
Dividends received from an associate	17	–	17	–
Dividends of a subsidiary paid to non-controlling interest	(254)	–	(254)	–
Purchase of property, plant and equipment	(63)	(103)	(253)	(180)
Proceeds from disposal of assets held for sale (Note A)	–	–	(426)	300
Proceeds from disposal of asset under construction	–	–	51,439	–
Proceeds from disposal of property, plant and equipment	–	754	–	754
Shareholder loan to an associate	(930)	–	(2,111)	–
Share of profits from partnership	143	–	143	–
<b>Net cash (used in)/generated from investing activities</b>	<b>(7,862)</b>	<b>(2,720)</b>	<b>10,785</b>	<b>(17,304)</b>
<b>Cash flows from financing activities:</b>				
Interest expense paid	(217)	(400)	(1,858)	(1,789)
Capital contribution from non-controlling interest of a subsidiary company	–	–	–	31
(Repayment)/proceeds from secured bank overdrafts	(59)	(18)	588	(4,673)
Repayment of hire obligations under purchase – net	(11)	(11)	(45)	(108)
Drawdown of term loans	1,011	5,012	10,512	26,267
Repayment of term loans	(1,358)	(1,371)	(29,356)	(17,435)
Decrease/(increase) in pledged deposits	191	(119)	(532)	286
Increase/(decrease) in trust receipts	1,116	(6,190)	(4,707)	9,658
Proceeds from rights shares issuance	–	–	–	10,076
Rights shares issuance expense	–	–	–	(442)
<b>Net cash generated from/(used in) financing activities</b>	<b>673</b>	<b>(3,097)</b>	<b>(25,398)</b>	<b>21,871</b>
Net (decrease)/increase in cash and cash equivalents	(5,004)	7,953	(5,853)	15,342
Effect of exchange rate changes on cash and cash equivalents	366	175	428	224
Cash and cash equivalents at beginning of period/year	18,988	11,647	19,775	4,209
<b>Cash and cash equivalents at end of period/year</b>	<b>14,350</b>	<b>19,775</b>	<b>14,350</b>	<b>19,775</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the balance sheet date:

	Group	
	For 12 Months Ended	
	31.12.14	31.12.13
	S\$'000	S\$'000
<b>Cash and cash equivalents at the end of the year:</b>		
Cash and bank balances and fixed deposits	16,499	21,309
Cash and bank balances and fixed deposits (held for sale)	–	17
Less: Bank deposits pledged	(2,149)	(1,551)
<b>Cash and cash equivalents</b>	<b>14,350</b>	<b>19,775</b>

**Note A**

As at 12 March 2014, the Group completed the disposal of its subsidiaries, FEE Water (China-PZH) Ltd and Federal Environmental (Panzhuhua) Co., Ltd., which were previously classified as assets held for sale. The effect of the disposal on the financial position of the Group is as follows.

<b>Effect of disposal on the financial position of the Group</b>	<b>Group</b>
	<b>31.12.14</b>
	<b>S\$'000</b>
<b>Assets:</b>	
Property, plant and equipment	109
Financial receivables	26,478
Inventories	213
Other receivables	75
Prepayment	3
Fixed deposits	412
Cash and bank balances	64
	<b>27,354</b>
<b>Liabilities:</b>	
Trade payables	4,630
Other payables	4,029
Deferred revenue	41
Amount due to a related party	103
Term loans	20,970
Deferred tax liabilities	463
	<b>30,236</b>
<b>Net liabilities derecognised</b>	<b>(2,882)</b>
Consideration received, satisfied in cash	50
Cash and cash equivalents disposed of	(476)
<b>Net cash outflow</b>	<b>(426)</b>
<b>Gain on disposal:</b>	
Consideration received	50
Net liabilities derecognised	2,882
Cumulative exchange differences in respect of the net liabilities of the subsidiaries reclassified from equity on loss of control of subsidiaries	649
	<b>3,581</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	← Attributable to owners of the Company →							Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Total reserves S\$'000			
<b>Balance at 01.01.13</b>	<b>133,624</b>	<b>(79,778)</b>	<b>(3,463)</b>	<b>2,778</b>	<b>9,094</b>	<b>(1,000)</b>	<b>(72,369)</b>	<b>61,255</b>	<b>(12,699)</b>	<b>48,556</b>
Profit / (loss), net of tax	–	1,178	–	–	–	–	1,178	1,178	(92)	1,086
Other comprehensive income:										
Items that may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	(120)	–	–	–	(120)	(120)	60	(60)
Share of other comprehensive income of an associate	–	–	–	–	–	(1)	(1)	(1)	–	(1)
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>1,178</b>	<b>(120)</b>	<b>–</b>	<b>–</b>	<b>(1)</b>	<b>1,057</b>	<b>1,057</b>	<b>(32)</b>	<b>1,025</b>
<u>Others</u>										
Transfer from accumulated losses to statutory reserve fund	–	(1)	–	–	–	1	–	–	–	–
<b>Balance at 31.03.13</b>	<b>133,624</b>	<b>(78,601)</b>	<b>(3,583)</b>	<b>2,778</b>	<b>9,094</b>	<b>(1,000)</b>	<b>(71,312)</b>	<b>62,312</b>	<b>(12,731)</b>	<b>49,581</b>
Profit / (loss), net of tax	–	2,993	–	–	–	–	2,993	2,993	(395)	2,598
Other comprehensive income:										
Items that may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	(169)	–	–	–	(169)	(169)	119	(50)
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>2,993</b>	<b>(169)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,824</b>	<b>2,824</b>	<b>(276)</b>	<b>2,548</b>
<u>Contributions by owners</u>										
Rights shares issuance	10,076	–	–	–	–	–	–	10,076	–	10,076
Rights shares issuance expense	(442)	–	–	–	–	–	–	(442)	–	(442)
<b>Total contributions by owners</b>	<b>9,634</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,634</b>	<b>–</b>	<b>9,634</b>
<b>Balance at 30.06.13</b>	<b>143,258</b>	<b>(75,608)</b>	<b>(3,752)</b>	<b>2,778</b>	<b>9,094</b>	<b>(1,000)</b>	<b>(68,488)</b>	<b>74,770</b>	<b>(13,007)</b>	<b>61,763</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year – cont'd**

GROUP	← Attributable to owners of the Company →							Equity attributable to owners of the Company S\$'000	Reserve of disposal group classified as held for sale S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Total reserves S\$'000				
<b>Balance at 30.06.13</b>	<b>143,258</b>	<b>(75,608)</b>	<b>(3,752)</b>	<b>2,778</b>	<b>9,094</b>	<b>(1,000)</b>	<b>(68,488)</b>	<b>74,770</b>	<b>–</b>	<b>(13,007)</b>	<b>61,763</b>
Profit / (loss), net of tax	–	2,132	–	–	–	–	2,132	2,132	–	(172)	1,960
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	(67)	–	–	–	(67)	(67)	–	30	(37)
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>2,132</b>	<b>(67)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,065</b>	<b>2,065</b>	<b>–</b>	<b>(142)</b>	<b>1,923</b>
<u>Others</u>											
Capital contribution from non-controlling interest of a subsidiary company	–	–	–	–	–	–	–	–	–	31	31
<b>Balance at 30.09.13</b>	<b>143,258</b>	<b>(73,476)</b>	<b>(3,819)</b>	<b>2,778</b>	<b>9,094</b>	<b>(1,000)</b>	<b>(66,423)</b>	<b>76,835</b>	<b>–</b>	<b>(13,118)</b>	<b>63,717</b>
Loss, net of tax	–	(1,562)	–	–	–	–	(1,562)	(1,562)	–	(721)	(2,283)
Other comprehensive income: Items that will not be reclassified to profit or loss:											
Net surplus on revaluation of freehold/leasehold land and buildings	–	–	–	–	4,998	–	4,998	4,998	–	–	4,998
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	(564)	–	–	–	(564)	(564)	–	40	(524)
Share of other comprehensive income of an associate	–	–	–	–	–	1	1	1	–	–	1
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>(1,562)</b>	<b>(564)</b>	<b>–</b>	<b>4,998</b>	<b>1</b>	<b>2,873</b>	<b>2,873</b>	<b>–</b>	<b>(681)</b>	<b>2,192</b>
<u>Contributions by owners</u>											
Shares issuance	841	–	–	–	–	–	–	841	–	–	841
<b>Total contributions by owners</b>	<b>841</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>841</b>	<b>–</b>	<b>–</b>	<b>841</b>
<u>Others</u>											
Reserve attributable to disposal group classified as held for sale	–	–	–	–	–	–	–	–	536	–	536
Transfer from accumulated losses to statutory reserve fund	–	(9)	–	–	–	9	–	–	–	–	–
<b>Balance at 31.12.13</b>	<b>144,099</b>	<b>(75,047)</b>	<b>(4,383)</b>	<b>2,778</b>	<b>14,092</b>	<b>(990)</b>	<b>(63,550)</b>	<b>80,549</b>	<b>536</b>	<b>(13,799)</b>	<b>67,286</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year – cont'd**

GROUP	← Attributable to owners of the Company →						Equity attributable to owners of the Company S\$'000	Reserve of disposal group classified as held for sale S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000	
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000					Total reserves S\$'000
<b>Balance at 01.01.14</b>	<b>144,099</b>	<b>(75,047)</b>	<b>(4,383)</b>	<b>2,778</b>	<b>14,092</b>	<b>(990)</b>	<b>(63,550)</b>	<b>80,549</b>	<b>536</b>	<b>(13,799)</b>	<b>67,286</b>
Profit, net of tax	–	2,912	–	–	–	–	2,912	2,912	–	1,445	4,357
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	604	–	–	–	604	604	(536)	(260)	(192)
Share of other comprehensive income of an associate	–	–	–	–	–	1	1	1	–	–	1
<b>Total comprehensive income/(loss) for the period</b>	<b>–</b>	<b>2,912</b>	<b>604</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>3,517</b>	<b>3,517</b>	<b>(536)</b>	<b>1,185</b>	<b>4,166</b>
<u>Others</u>											
Transfer from accumulated losses to statutory reserve fund	–	(13)	–	–	–	13	–	–	–	–	–
<b>Balance at 31.03.14</b>	<b>144,099</b>	<b>(72,148)</b>	<b>(3,779)</b>	<b>2,778</b>	<b>14,092</b>	<b>(976)</b>	<b>(60,033)</b>	<b>84,066</b>	<b>–</b>	<b>(12,614)</b>	<b>71,452</b>
Profit, net of tax	–	2,055	–	–	–	–	2,055	2,055	–	110	2,165
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	(948)	–	–	–	(948)	(948)	–	(47)	(995)
<b>Total comprehensive income/(loss) for the period</b>	<b>–</b>	<b>2,055</b>	<b>(948)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,107</b>	<b>1,107</b>	<b>–</b>	<b>63</b>	<b>1,170</b>
<b>Balance at 30.06.14</b>	<b>144,099</b>	<b>(70,093)</b>	<b>(4,727)</b>	<b>2,778</b>	<b>14,092</b>	<b>(976)</b>	<b>(58,926)</b>	<b>85,173</b>	<b>–</b>	<b>(12,551)</b>	<b>72,622</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year – cont'd**

GROUP	← Attributable to owners of the Company →							Equity attributable to owners of the Company S\$'000	Reserve of disposal group classified as held for sale S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Total reserves S\$'000				
<b>Balance at 30.06.14</b>	<b>144,099</b>	<b>(70,093)</b>	<b>(4,727)</b>	<b>2,778</b>	<b>14,092</b>	<b>(976)</b>	<b>(58,926)</b>	<b>85,173</b>	<b>–</b>	<b>(12,551)</b>	<b>72,622</b>
Loss, net of tax	–	(19,618)	–	–	–	–	(19,618)	(19,618)	–	(167)	(19,785)
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	25	–	–	–	25	25	–	154	179
<b>Total comprehensive (loss)/income for the period</b>	<b>–</b>	<b>(19,618)</b>	<b>25</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(19,593)</b>	<b>(19,593)</b>	<b>–</b>	<b>(13)</b>	<b>(19,606)</b>
<b>Balance at 30.09.14</b>	<b>144,099</b>	<b>(89,711)</b>	<b>(4,702)</b>	<b>2,778</b>	<b>14,092</b>	<b>(976)</b>	<b>(78,519)</b>	<b>65,580</b>	<b>–</b>	<b>(12,564)</b>	<b>53,016</b>
Loss, net of tax	–	(7,921)	–	–	–	–	(7,921)	(7,921)	–	(285)	(8,206)
Other comprehensive income: Items that will not be reclassified to profit or loss:											
Net surplus on revaluation of freehold/leasehold land and buildings	–	–	–	–	2,506	–	2,506	2,506	–	–	2,506
Other comprehensive income: Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	135	–	–	–	135	135	–	77	212
<b>Total comprehensive loss/(income) for the period</b>	<b>–</b>	<b>(7,921)</b>	<b>135</b>	<b>–</b>	<b>2,506</b>	<b>–</b>	<b>(5,280)</b>	<b>(5,280)</b>	<b>–</b>	<b>(208)</b>	<b>(5,488)</b>
<u>Changes in ownership interest in a subsidiary</u>											
Dividend of subsidiary paid to non-controlling interest	–	–	–	–	–	–	–	–	–	(254)	(254)
<b>Balance at 31.12.14</b>	<b>144,099</b>	<b>(97,632)</b>	<b>(4,567)</b>	<b>2,778</b>	<b>16,598</b>	<b>(976)</b>	<b>(83,799)</b>	<b>60,300</b>	<b>–</b>	<b>(13,026)</b>	<b>47,274</b>

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. – cont'd

The Company	Share capital	Revenue reserve	Total equity
	S\$'000	S\$'000	S\$'000
<b>Balance at 1.01.13</b>	<b>133,624</b>	<b>(56,412)</b>	<b>77,212</b>
Profit for the period	–	682	682
Total comprehensive income for the period	–	682	682
<b>Balance at 31.03.13</b>	<b>133,624</b>	<b>(55,730)</b>	<b>77,894</b>
Loss for the period	–	(593)	(593)
Total comprehensive loss for the period	–	(593)	(593)
<u>Contributions by owners</u>			
Rights shares issuance	10,076	–	10,076
Rights shares issuance expense	(442)	–	(442)
Total contributions by owners	9,634	–	9,634
<b>Balance at 30.06.13</b>	<b>143,258</b>	<b>(56,323)</b>	<b>86,935</b>
Profit for the period	–	625	625
Total comprehensive income for the period	–	625	625
<b>Balance at 30.09.13</b>	<b>143,258</b>	<b>(55,698)</b>	<b>87,560</b>
Profit for the period	–	887	887
Total comprehensive income for the period	–	887	887
<u>Contributions by owners</u>			
Shares issuance	841	–	841
Total contributions by owners	841	–	841
<b>Balance at 31.12.13</b>	<b>144,099</b>	<b>(54,811)</b>	<b>89,288</b>



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. – cont'd

The Company	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
<b>Balance at 1.01.14</b>	<b>144,099</b>	<b>(54,811)</b>	<b>89,288</b>
Loss for the period	–	(79)	(79)
Total comprehensive loss for the period	–	(79)	(79)
<b>Balance at 31.03.14</b>	<b>144,099</b>	<b>(54,890)</b>	<b>89,209</b>
Loss for the period	–	(10)	(10)
Total comprehensive loss for the period	–	(10)	(10)
<b>Balance at 30.06.14</b>	<b>144,099</b>	<b>(54,900)</b>	<b>89,199</b>
Profit for the period	–	378	378
Total comprehensive income for the period	–	378	378
<b>Balance at 30.09.14</b>	<b>144,099</b>	<b>(54,522)</b>	<b>89,577</b>
Loss for the period	–	(14,421)	(14,421)
Total comprehensive loss for the period	–	(14,421)	(14,421)
<b>Balance at 31.12.14</b>	<b>144,099</b>	<b>(68,943)</b>	<b>75,156</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any ordinary shares during the 12 months ended 31 December 2014.

As at 31 December 2014 and 31 December 2013 respectively, the Company did not have any convertible securities.

As at 31 December 2014 and 31 December 2013 respectively, there were no treasury shares held.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>31.12.14</b>	<b>31.12.13</b>
Total number of issued shares (excluding treasury shares)	1,407,675,433	1,407,675,433

As at 31 December 2014 and 31 December 2013 respectively, there were no treasury shares held.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, consistent with those of the audited financial statements for the year ended 31 December 2013.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current financial period, the Group adopted the new and revised Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") that are effective for annual period beginning on 1 January 2014.

The adoption of these new / revised FRS and INT FRS did not result in any substantial change to the Group's and Company's accounting policies or have any significant impact on the financial statements.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	3 Months Ended		12 Months Ended	
	31.12.14	31.12.13	31.12.14	31.12.13
	cents	cents	cents	cents
(i) Based on weighted average number of ordinary shares in issue	(0.56)	(0.11)	(1.60)	0.37
(ii) On a fully diluted basis	(0.56)	(0.11)	(1.60)	0.37

The weighted average number of shares for the 3 months ended 31 December 2014 and 12 months ended 31 December 2014 were 1,407,675,433. The weighted average number of shares for the corresponding periods in 2013 were 1,381,006,472 and 1,283,134,869 respectively.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group	Company
	cents	cents
As at 31.12.14	4.28	5.34
As at 31.12.13	5.76	6.34

Net asset value per share is calculated based on the number of ordinary shares in issue of 1,407,675,433 as at 31 December 2014 (31 December 2013: 1,407,675,433).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### **STATEMENT OF COMPREHENSIVE INCOME**

#### **Overview**

Turnover for the fiscal year ended 31 December 2014 (“**FY2014**”) grew by 3% to \$131.6 million. The increase was due mainly to higher sales to customers in the People’s Republic of China (“**PRC**”). Gross profit margin declined from 25% to 20% as a result of a change in sales mix. The loss for the year of \$21.5 million was due mainly to the loss of \$26.0 million on disposal of *Federal II* and the Group’s share of associates’ losses of \$5.9 million.

For the fourth quarter of 2014 (“**4QFY2014**”), revenue was 19% lower than the corresponding period in FY2013. The decline was attributed to lower sales to customers in the PRC and Indonesia during the quarter due to the project-based nature of the trading business which affects the timing of delivery of goods to customers. The gross profit margin of 20% was higher than 4QFY2013. The lower margin of 17% for 4QFY2013 was due mainly to lower margins from the supply of steel plates. Loss for the period of \$8.2 million was attributed mainly to the share of associates’ losses of \$5.1 million and additional cost provision of \$1.9 million for the offshore commissioning of *Federal II*.

#### **4QFY2014 vs 4QFY2013**

The revenue of \$37.8 million was 19% lower than the corresponding quarter in 2013. The decline was the result of lower sales to customers in the PRC and Indonesia due to the project-based nature of the trading business.

The gross profit margin of 20% was higher than the margin of 17% recorded for the corresponding quarter in 2013. The lower margin for 4QFY2013 was due mainly to higher steel plate sales which typically yielded lower margins.

The increase in other operating income was due mainly to higher foreign exchange gain, which was partly offset by the absence of the one-time gain arising from the disposal of certain mining equipment recorded in 4QFY2013.

The decrease in selling and distribution costs was due mainly to lower sales and freight related expenses which is consistent with the decrease in sales for 4QFY2014.

The decrease in administrative and general costs was due mainly to the reversal of provision for certain staff related costs in 4QFY2014.

Other operating expenses were lower in 4QFY2014 because of the absence of the impairment loss of \$6.4 million and \$4.4 million provision for the probable penalty for the late delivery of *Federal II* recorded in 4QFY2013. In 4QFY2014, the amounts recovered relating to previously impaired receivables were lower than the corresponding quarter in FY2013.

The reduction in finance costs was due mainly to reduced borrowings arising from the disposal of FEE Water (China-PZH) Ltd and Federal Environmental (Panzhuhua) Co., Ltd in March 2014 and the repayment of the vessel conversion loan in the third quarter of FY2014.

The Group's share of the results of its associates was a net loss of \$5.1 million. The share of loss relates mainly to losses incurred by PT Gunanusa Utama Fabricators ("**PTGUF**") and PT Eastern Jason ("**PTEJ**"). The entire cost of investment for PTGUF was fully impaired as a result in 4QFY2014. The losses incurred by PTGUF were due mainly to cost overrun on certain Engineering, Procurement and Construction ("**EPC**") projects. The losses incurred by PTEJ were due to impairment of the carrying value of *Federal II*. *Federal II* was sold to PTEJ by Eastern Jason Fabrication Services Pte Ltd, a wholly-owned subsidiary of the Company, in August 2014 and the vessel is to be chartered to China National Offshore Oil Corporation ("**CNOOC**") upon completion of the offshore commissioning.

The loss for the quarter of \$8.2 million was due mainly to the share of associates' losses, further cost provision of \$1.9 million for the offshore commissioning of *Federal II* and recognition of prior years' tax liabilities for certain subsidiaries.

The revaluation surplus of \$2.5 million on the Group's freehold and leasehold properties reduced the total comprehensive loss for the quarter to \$5.5 million.

### **FY2014 vs FY2013**

Revenue of \$131.6 million was 3% higher than FY2013. The increase was due mainly to higher sales of steel plates to customers in the PRC.

The decrease in gross profit margin was attributed to a higher proportion of steel plates sales which provided lower margins compared with the margins on sales of flowline and related products.

Other operating income of \$6.4 million was boosted by a one-time gain of \$3.6 million arising from the disposal of FEE Water (China-PZH) Ltd and Federal Environmental (Panzhuhua) Co., Ltd in March 2014.

The decrease in selling and distribution costs was due mainly to the reversal of a provision for marketing related expense.

The reduction in administrative and general costs was due mainly to the reversal of overseas tax provisions that have reached the prescribed statutory timebar. The adjustment was partly offset by depreciation expense recorded for the land rig which was acquired in December 2013.

The increase in other operating expenses was due mainly to the loss on disposal of *Federal II* and lower writeback of impairment loss on doubtful receivables. The loss on disposal of *Federal II* relates to cost overrun for the conversion and offshore commissioning works. Additional costs were incurred due to the delay in completion of the vessel conversion, increased scope of work and additional spareparts provided in order to ensure that the vessel met the required standards necessary for the charter operations. Additional cost provisions were also made due to delays in the offshore commissioning of the vessel.

Finance costs were lower as a result of the overall reduction in borrowings following the disposal of FEE Water (China-PZH) Ltd and Federal Environmental (Panzhuhua) Co., Ltd in March 2014 and the settlement of the vessel conversion loan in August 2014.

The share of associates' losses was due mainly to net losses incurred by PTGUF and PTEJ. The losses by PTGUF were due to cost overrun on certain EPC projects. Based on the Group's share of PTGUF losses, the entire cost of investment in PTGUF was fully impaired. The losses incurred by PTEJ were due to impairment of the carrying value of *Federal II*. *Federal II* was sold to PTEJ by Eastern Jason Fabrication Services Pte Ltd, a wholly-owned subsidiary of the Company, in August 2014 and the vessel is to be chartered to China National Offshore Oil Corporation ("CNOOC") upon the completion of offshore commissioning.

The loss for the year of \$21.5 million was due mainly to the loss of \$26.0 million from the disposal of *Federal II* and the Group's share of associates' losses of \$5.9 million.

The revaluation surplus of \$2.5 million on the Group's freehold and leasehold properties reduced the total comprehensive loss for the year to \$19.8 million.

## **STATEMENT OF FINANCIAL POSITION FOR THE GROUP**

### **Net assets attributable to owners of the Company**

As at 31 December 2014, the net assets attributable to owners of the Company was \$60.3 million which translate into a net asset value per ordinary share of 4.28 cents.

### **Non-current assets**

Non-current assets comprise mainly the freehold and leasehold properties in Singapore and the land drilling rig. The movements in non-current assets were as follows.

- Reclassification of \$5.9 million due from a related party from current assets to non-current assets as the amount is not expected to be repaid within the next 12 months;
- Gain on revaluation of the Group's freehold and leasehold land and buildings; and
- Reduction in investment in associates arising from the recognition of the Group's share of associates' losses.

### **Current assets**

Current assets decreased by \$62.4 million to \$97.1 million. The decrease was due mainly to:

- completion of the sale and disposal of *Federal II*, which was classified as "Asset under construction";
- completion of the sale and disposal of FEE Water (China-PZH) Ltd and Federal Environmental (Panzhuhua) Co., Ltd, in which the assets of the disposal group were classified as current assets under "Assets of disposal group classified as held for sale"; and
- reclassification of the amount due from a related party as a non-current asset.

The decrease was partly offset by an increase in:

- inventories due to higher inventories held and goods in-transit to a customer;
- trade and other receivables due to the increase in sales;
- amounts due from associates relating the recovery of certain expenses and loans from an associate; and
- advance payment to suppliers and prepayments due mainly to higher payments made to suppliers in advance for committed sales.

### **Current liabilities**

Current liabilities decreased by \$39.9 million to \$95.4 million. The reduction was due mainly to:

- the completion of the sale and disposal of FEE Water (China-PZH) Ltd and Federal Environmental (Panzhuhua) Co., Ltd, in which the liabilities of the disposal group were classified as current liabilities under “Liabilities directly associated with disposal group classified as held for sale”;
- reduction in advance payment from an associate as the advance payment which was the downpayment received from PTEJ for the sale of *Federal II* was accounted for as part of the sales proceeds for completion of the sale in August 2014;
- reduction in term loans due mainly to the settlement of the bank loan drawn down for the conversion of *Federal II*; and
- net reduction in provision for income tax resulting from taxes paid during the year, the reversal of overprovision of prior years’ taxes for the Company, and additional provision for prior years’ taxes for certain subsidiaries.

The decrease was partly offset by an increase in trade and other payables, advance payment from customers, amount due to a related party, amounts due to bankers and derivative liability. The increase in amounts due to bankers relates to higher trade related financing facilities utilised in connection with the increase in sales. The derivative liability relates to foreign currency hedging transactions entered in connection with payment to a supplier as part of a sales arrangement.

### **Net current assets**

The Group’s net current asset position as at 31 December 2014 was \$1.7 million.

## **STATEMENT OF FINANCIAL POSITION FOR THE COMPANY**

### **Investment in associates**

The decrease in investment in associates was due mainly to the recognition of impairment loss for its investment in associates.

### **Amounts due from subsidiaries**

The decrease in amounts due from subsidiaries was due mainly to the reclassification of a loan to a subsidiary as a quasi-equity loan and loan repayments received from a subsidiary.



### **Amounts due to subsidiaries**

The decrease in the amounts due to subsidiaries under current liabilities was due mainly to the classification of an amount due to a subsidiary under non-current liabilities.

### **CONSOLIDATED STATEMENT OF CASH FLOWS**

As of 31 December 2014, the Group's available cash and cash equivalents was \$14.4 million.

For the year ended FY2014, the Group generated net cash of \$8.8 million from its operating activities. Net cash generated from investing activities was \$10.8 million, which included the proceeds of \$51.4 million from the sale and disposal of *Federal II*. Financing activities utilised \$25.4 million due mainly to the repayment of term loans.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

A profit guidance announcement was made on 9 January 2015.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group announced on 8 Oct 2013 and 6 Jan 2014 that subsidiaries of the Group had secured orders totalling \$38 million and \$32 million respectively. Of the \$38 million order, the remaining \$5.0 million will be delivered and billed in FY2015. The delivery and billing of the \$32 million order is expected to be in the first half of FY2015.

Other than the above orders, the Group has orders on-hand of about \$44 million as of 25 February 2015. The Group will continue to source aggressively for sales and projects in 2015 but a slower pace is anticipated due to the impact of the decline in oil prices.

### **Federal II**

The Group announced on 19 August 2014 the legal completion of the sale of *Federal II*. The physical delivery of the vessel to PT Eastern Jason in connection with the charter to CNOOC is upon the completion of the offshore commissioning.

The progress of the offshore commissioning was affected by unfavourable weather conditions and other technical issues. All efforts are being made to expedite the commissioning process and also, to contain any further cost overrun.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividends have been declared or recommended for the period ended 31 December 2014.

**13. Interested Person Transactions**

The Company does not have a shareholders' mandate for interested person transactions.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 and Half Year Results)**

**14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Analysis by Business Segments	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate / Others		Elimination		Group	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
	S\$'000															
<b>Revenue:</b>																
External customers	127,064	123,908	3,869	4,059	–	–	329	200	–	–	368	–	–	–	131,630	128,167
Intersegment sales	220	1,786	5,156	5,217	–	–	–	–	–	–	2,904	3,036	(8,280)	(10,039)	–	–
Total revenue	127,284	125,694	9,025	9,276	–	–	329	200	–	–	3,272	3,036	(8,280)	(10,039)	131,630	128,167
<b>Segment result</b>	7,892	14,612	257	(2,087)	6,112	(4,974)	(938)	(1,965)	885	(3,365)	1,224	875	423	3,670	15,855	6,766
Depreciation and amortisation	(793)	(666)	(76)	(61)	–	(948)	(13)	(28)	–	(5)	(1,056)	(6)	–	–	(1,938)	(1,714)
Impairment loss on non-financial assets	–	–	–	–	–	(6,389)	–	–	–	(23)	–	–	(1,694)	(862)	(1,694)	(7,274)
Other non-cash income/ (expense)	(14,310)	11,534	–	170	(26,027)	34	(33)	(1,955)	–	553	(18,916)	(11,260)	35,722	10,939	(23,564)	10,015
Interest income															229	225
Finance costs															(2,167)	(3,802)
Share of results of associates															(5,941)	793
(Loss)/profit for the year															(19,220)	5,009
Tax expense															(2,249)	(1,648)
<b>(Loss)/profit for the year</b>															(21,469)	3,361



14. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. – cont'd**

Analysis by Geographical Segments S\$'000	Revenue		Non-current Assets	
	FY 2014	FY 2013	FY 2014	FY 2013
China	65,688	51,600	33	78
Indonesia	8,131	29,582	9,583	10,348
Malaysia	9,759	7,210	-	-
Singapore	17,093	13,892	27,298	24,993
Thailand	18,016	15,867	1	2
USA	3,418	2,677	-	-
UK	178	312	365	439
UAE	701	459	-	-
Vietnam	2,244	1,101	-	-
Oman	805	297	-	-
Others	5,597	5,170	-	-
	<b>131,630</b>	<b>128,167</b>	<b>37,280</b>	<b>35,860</b>

\* Non-current assets information presented above consists of property, plant and equipment and intangible assets (excluding goodwill) as presented in the consolidated balance sheet.

15. **In view of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8.

16. **A breakdown of sales**

Group	FY 2014	FY 2013	Increase/ (decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	64,910	44,383	46.2
Operating profit after tax before deducting minority interests reported for first half year	6,522	3,684	77.0
Sales reported for second half year	66,720	83,784	(20.4)
Operating loss after tax before minority interests reported for second half year	(27,991)	(323)	N.M.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend	FY 2014	FY 2013
Ordinary	None	None
Preference	None	None
Total	None	None

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Maggie Koh	47	Daughter of Koh Kian Kiong, Executive Chairman, CEO and Substantial Shareholder of Federal International (2000) Ltd	<p>Executive Director of Federal International (2000) Ltd – since June 2000</p> <p>Executive Director of Federal Hardware Engineering Co Pte Ltd – since 1994</p> <p>Executive Director of Federal Environmental &amp; Energy Pte Ltd. and group of companies – since 2006</p> <p>Director of Eastern Jason Fabrication Services Pte Ltd. – since 2007</p> <p>Director of Federal Capital Pte Ltd. – since 2007</p> <p>Director of KVC (UK) Ltd – since 2008</p> <p>Director of Federal Energi Pte Ltd. – since 2009</p> <p>Director of Federal JWR Energy Pte Ltd. – since 2009</p> <p>Director of Federal Fire Engineering Pte Ltd – since 2010</p> <p>Director of Alton International (S) Pte Ltd – since 2010</p>	<p>Director of PT Fedsin Rekayasa Pratama – since 2011</p> <p>Director of PT Alton International Resources – since 2011</p>

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Don Koh Beng Guan	40	Son of Koh Kian Kiong, Executive Chairman, CEO and Substantial Shareholder of Federal International (2000) Ltd Brother of Maggie Koh, Executive Director of Federal International (2000) Ltd	Managing Director of Alton International (S) Pte Ltd – since 2005  Managing Director of Alton International Resources Pte Ltd – since 2007  Director of PT Alton International Resources – since 2008	Director of Federal Energi Pte Ltd – since 2011

**BY ORDER OF THE BOARD**

**Koh Kian Kiong**  
Executive Chairman & CEO

**Koh Maggie**  
Executive Director

**25 February 2015**