



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

**Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year Ended
31 December 2022**

27 February 2023

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.

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	Note	Group			Group		
		6 Months Ended		Changes	12 Months Ended		Changes
		31.12.2022	31.12.2021		31.12.2022	31.12.2021	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
INCOME STATEMENT							
Revenue	5	44,001	30,996	42.0	135,136	59,816	125.9
Cost of sales		(34,982)	(25,018)	39.8	(114,499)	(47,779)	139.6
Gross profit		9,019	5,978	50.9	20,637	12,037	71.4
Gross profit margin		20.5%	19.3%		15.3%	20.1%	
Other income	6	3,542	3,097	14.4	4,000	3,983	0.4
Selling and distribution costs	6	(3,092)	(2,590)	19.4	(5,683)	(5,203)	9.2
Administrative and general costs	6	(4,904)	(4,450)	10.2	(9,579)	(8,676)	10.4
Other operating expenses	6	(7,112)	(736)	N.M.	(8,783)	(1,138)	N.M.
Net writeback of impairment loss/(impairment loss) on financial assets	6	3,790	159	N.M.	3,312	(127)	N.M.
Finance costs	6	(936)	(503)	86.1	(1,608)	(1,088)	47.8
Share of results of associates		117	563	(79.2)	815	1,038	(21.5)
Profit before tax	6	424	1,518	(72.1)	3,111	826	276.6
Income tax (expense)/credit	7	(516)	204	N.M.	(773)	(193)	N.M.
Profit/(loss) net of tax		(92)	1,722	(105.3)	2,338	633	269.4
Attributable to:							
Owners of the Company		(32)	1,384	(102.3)	2,504	334	N.M.
Non-controlling interests		(60)	338	(117.8)	(166)	299	(155.5)
		(92)	1,722	(105.3)	2,338	633	269.4
Earnings/(loss) per share attributable to owners of the Company (cents per share)	8						
Basic		(0.02)	0.98		1.78	0.24	
Diluted		(0.02)	0.98		1.78	0.24	

N.M. – Not Meaningful

	← Group →			← Group →		
	6 Months Ended		Changes	12 Months Ended		Changes
	31.12.2022	31.12.2021		31.12.2022	31.12.2021	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit/(loss) net of tax	(92)	1,722	(105.3)	2,338	633	269.4
Other comprehensive income/ (loss):						
Items that will not be reclassified subsequently to profit or loss						
Foreign currency translation	240	786	(69.5)	235	753	(68.8)
Net surplus on revaluation of leasehold building	660	584	13.0	660	584	13.0
Foreign currency translation on loss of control of subsidiary	–	–	N.M.	484	–	N.M.
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation	210	1,043	(79.9)	731	1,228	(40.5)
Share of other comprehensive (loss)/ income of associates	(299)	(25)	N.M.	(229)	15	N.M.
Foreign currency translation on loss of control of subsidiary	–	–	N.M.	727	–	N.M.
Other comprehensive income for the period/year, net of tax	811	2,388	(66.0)	2,608	2,580	1.1
Total comprehensive income for the period/year	719	4,110	(82.5)	4,946	3,213	53.9
Total comprehensive income attributable to:						
Owners of the Company	539	2,986	(81.9)	4,393	2,161	103.3
Non-controlling interests	180	1,124	(84.0)	553	1,052	(47.4)
	719	4,110	(82.5)	4,946	3,213	53.9

N.M. – Not Meaningful

	Note	Group		Company	
		As At 31.12.2022	As At 31.12.2021	As At 31.12.2022	As At 31.12.2021
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	10	10,929	11,405	6	9
Right-of-use assets		2,223	3,095	–	–
Investment properties	11	–	17,900	–	–
Investment in subsidiaries	12	–	–	57,868	70,949
Investment in associates	13	4,264	8,978	732	732
Intangible assets	14	409	545	–	–
Financial assets at fair value through other comprehensive income (“FVOCI”)	15	381	381	381	381
Other receivables	16	13,108	11,112	13,022	11,022
Deferred tax assets		1,836	2,328	–	–
		33,150	55,744	72,009	83,093
Current assets					
Inventories		14,417	11,519	–	–
Trade receivables	17	33,348	36,571	–	–
Other receivables		3,738	2,131	545	234
Advance payment to suppliers		1,716	4,964	–	–
Prepayments		191	517	25	16
Deposits		18	30	4	4
Amounts due from subsidiaries		–	–	6,762	3,478
Amounts due from associates		2,546	2,898	–	–
Amount due from a related party		–	200	–	–
Fixed and bank deposits		22	103	–	–
Cash and bank balances		7,543	11,387	870	621
		63,539	70,320	8,206	4,353
Assets classified as held for sale	18	21,486	–	–	–
		85,025	70,320	8,206	4,353
Current liabilities					
Trade payables		6,462	15,934	–	–
Other payables		9,985	4,238	639	523
Contract liabilities		2,765	18,917	–	–
Amounts due to subsidiaries		–	–	865	871
Amounts due to related parties		1,674	2,184	–	–
Amounts due to banks	19	18,548	7,225	–	–
Term loans	19	6,539	7,418	–	–
Lease liabilities		153	205	–	–
Provision for taxation		423	391	51	–
		46,549	56,512	1,555	1,394
Liabilities directly associated with the assets held for sale	18	720	–	–	–
		47,269	56,512	1,555	1,394
Net current assets		37,756	13,808	6,651	2,959
Non-current liabilities					
Amounts due to subsidiaries		–	–	6,641	8,402
Term loans	19	1,834	4,327	–	–
Provision for post-employment benefits		174	167	–	–
Lease liabilities		2,273	3,108	–	–
Deferred tax liabilities		1,370	1,157	115	99
		5,651	8,759	6,756	8,501
Net assets		65,255	60,793	71,904	77,551

	Note	Group		Company	
		As At 31.12.2022	As At 31.12.2021	As At 31.12.2022	As At 31.12.2021
		S\$'000	S\$'000	S\$'000	S\$'000
Equity					
Share capital	20	144,099	144,099	144,099	144,099
Treasury shares	20	(25)	(25)	(25)	(25)
Foreign currency translation reserve		(1,885)	(3,114)	–	–
Capital reserve		5	5	–	–
Revaluation reserve		19,653	18,993	–	–
Other reserves		(1,133)	(1,133)	(157)	(157)
Accumulated losses		(76,298)	(78,802)	(72,013)	(66,366)
Equity attributable to owners of the Company		84,416	80,023	71,904	77,551
Non-controlling interests		(19,161)	(19,230)	–	–
Total equity		65,255	60,793	71,904	77,551

Federal International (2000) Ltd and its Subsidiaries
Condensed Interim Statements of Changes in Equity

GROUP	← Attributable to owners of the Company →							Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accumu- lated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000			
Balance at 01.01.2022	144,099	(25)	(78,802)	(3,114)	5	18,993	(1,133)	80,023	(19,230)	60,793
Profit net of tax	–	–	2,536	–	–	–	–	2,536	(106)	2,430
Other comprehensive income/(loss):										
Items that will not be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	–	–	–	–	–	(5)	(5)
Foreign currency translation on loss of control of subsidiary	–	–	–	–	–	–	–	–	484	484
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	521	–	–	–	521	–	521
Share of other comprehensive income of associates	–	–	–	70	–	–	–	70	–	70
Foreign currency translation on loss of control of subsidiary	–	–	–	727	–	–	–	727	–	727
Total comprehensive income for the period	–	–	2,536	1,318	–	–	–	3,854	373	4,227
Disposal of a subsidiary company	–	–	–	–	–	–	–	–	(484)	(484)
Balance at 30.06.2022	144,099	(25)	(76,266)	(1,796)	5	18,993	(1,133)	83,877	(19,341)	64,536
Loss net of tax	–	–	(32)	–	–	–	–	(32)	(60)	(92)
Other comprehensive income/(loss):										
Items that will not be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	–	–	–	–	–	240	240
Net surplus on revaluation of leasehold building	–	–	–	–	–	660	–	660	–	660
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	210	–	–	–	210	–	210
Share of other comprehensive loss of associates	–	–	–	(299)	–	–	–	(299)	–	(299)
Total comprehensive income/(loss) for the period	–	–	(32)	(89)	–	660	–	539	180	719
Balance at 31.12.2022	144,099	(25)	(76,298)	(1,885)	5	19,653	(1,133)	84,416	(19,161)	65,255

Federal International (2000) Ltd and its Subsidiaries
Condensed Interim Statements of Changes in Equity (cont'd)

GROUP	← Attributable to owners of the Company →							Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accum- ulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000			
Balance at 01.01.2021	144,099	(25)	(79,136)	(4,357)	5	18,409	(1,133)	77,862	(15,707)	62,155
Loss net of tax	–	–	(1,050)	–	–	–	–	(1,050)	(39)	(1,089)
Other comprehensive income/(loss):										
Items that will not be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	–	–	–	–	–	(33)	(33)
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	185	–	–	–	185	–	185
Share of other comprehensive income of associates	–	–	–	40	–	–	–	40	–	40
Total comprehensive income/(loss) for the period	–	–	(1,050)	225	–	–	–	(825)	(72)	(897)
Balance at 30.06.2021	144,099	(25)	(80,186)	(4,132)	5	18,409	(1,133)	77,037	(15,779)	61,258
Profit net of tax	–	–	1,384	–	–	–	–	1,384	338	1,722
Other comprehensive income/(loss):										
Items that will not be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	–	–	–	–	–	786	786
Net surplus on revaluation of leasehold buildings	–	–	–	–	–	584	–	584	–	584
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	–	1,043	–	–	–	1,043	–	1,043
Share of other comprehensive loss of associates	–	–	–	(25)	–	–	–	(25)	–	(25)
Total comprehensive income for the period	–	–	1,384	1,018	–	584	–	2,986	1,124	4,110
Share capital reduction by non-controlling interest in a subsidiary company	–	–	–	–	–	–	–	–	(4,575)	(4,575)
Balance at 31.12.2021	144,099	(25)	(78,802)	(3,114)	5	18,993	(1,133)	80,023	(19,230)	60,793

The Company	Share capital	Treasury shares	Accumulated losses	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01.01.2022	144,099	(25)	(66,366)	(157)	77,551
Profit for the period	–	–	219	–	219
Total comprehensive income for the period	–	–	219	–	219
Balance at 30.06.2022	144,099	(25)	(66,147)	(157)	77,770
Loss for the period	–	–	(5,866)	–	(5,866)
Total comprehensive loss for the period	–	–	(5,866)	–	(5,866)
Balance at 31.12.2022	144,099	(25)	(72,013)	(157)	71,904
Balance at 01.01.2021	144,099	(25)	(67,176)	(157)	76,741
Profit for the period	–	–	283	–	283
Total comprehensive income for the period	–	–	283	–	283
Balance at 30.06.2021	144,099	(25)	(66,893)	(157)	77,024
Profit for the period	–	–	527	–	527
Total comprehensive income for the period	–	–	527	–	527
Balance at 31.12.2021	144,099	(25)	(66,366)	(157)	77,551

	Group		Group	
	For 6 Months Ended		For 12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit before tax	424	1,518	3,111	826
<u>Adjustments for:</u>				
Allowance for slow moving inventories	(1)	791	368	1,101
Amortisation of intangible assets	68	68	136	136
Amount due from a related party written off	–	1	–	1
Bad debts recovered	–	(1,269)	–	(1,365)
Depreciation of property, plant and equipment	811	931	1,643	1,912
Depreciation of right-of-use assets	118	125	234	262
Fair value gain on investment properties, net	(3,000)	(2,300)	(2,930)	(2,300)
Impairment loss on investment in associate	5,300	–	5,300	–
Impairment loss on receivables (current)	212	10	788	301
Implicit interest income	(2)	(2)	(4)	(4)
Interest expense	936	503	1,608	1,088
Interest income	(4)	(83)	(51)	(132)
(Gain)/loss on disposal of property, plant and equipment, net	(3)	3	–	2
Loss on disposal of a subsidiary	–	–	727	–
Share of results of associates	(117)	(563)	(815)	(1,038)
Writeback of impairment loss on receivables (current)	(2,002)	(169)	(2,100)	(174)
Writeback of impairment loss on other receivables (non-current)	(2,000)	–	(2,000)	–
Foreign currency exchange loss/(gain)	(194)	(36)	77	(105)
Operating cash flows before changes in working capital	546	(472)	6,092	511
<u>(Increase)/decrease in:</u>				
Inventories	(4,385)	(1,563)	(3,477)	4,098
Trade and other receivables	18,175	(3,561)	(7,987)	5,109
Advance payment to suppliers	6,667	(3,269)	3,178	(4,225)
Prepayments	184	(193)	126	(178)
Deposits	11	10	11	10
Amounts due from associates	1	–	–	1
Amounts due from related parties	–	(27)	–	(27)
<u>(Decrease)/increase in:</u>				
Trade and other payables	(5,426)	10,628	(3,367)	7,080
Contract liabilities	(5,215)	5,478	(4,927)	5,758
Amounts due to associates	(2)	(10)	–	(10)
Amounts due to related parties	236	458	(17)	396
Provision for post employment benefits	9	7	7	(39)
Cash flows (used in)/generated from operations	10,801	7,486	(10,361)	18,484
Bad debts recovered received	–	899	369	995
Income taxes (paid)/refund	(36)	12	(372)	(114)
Interest income received	111	2	150	197
Net cash (used in)/generated from operating activities	10,876	8,399	(10,214)	19,562

	Group		Group	
	For 6 Months Ended		For 12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities:				
Interest income received	5	4	9	6
Proceeds from disposal of property, plant and equipment	7	30	11	31
Repayment of loan from an associate	–	–	339	–
Repayment of loan from an investee company	766	337	211	139
Purchase of property, plant and equipment	(128)	(142)	(337)	(181)
Net cash generated from/(used in) investing activities	650	229	233	(5)
Cash flows from financing activities:				
Interest expense paid	(697)	(396)	(1,194)	(938)
Interest expense paid (amount due to a related party)	(21)	–	(55)	–
Additions to amount due to a related party	307	–	307	–
Repayments of amount due to a related party	(634)	–	(634)	–
Decrease in pledged deposits	–	1,344	83	1,344
Proceeds from/(repayments of) bank overdrafts	284	(189)	(202)	574
Drawdown of term loans	–	424	–	1,031
Repayment of term loans	(1,618)	(2,261)	(3,263)	(4,617)
Drawdown of trust receipts	29,909	7,616	92,257	20,107
Repayments of trust receipts	(44,759)	(9,124)	(80,736)	(32,271)
Repayments of lease liabilities - principal	(90)	(93)	(182)	(198)
Repayments of lease liabilities - interest	(87)	(91)	(175)	(184)
Net cash generated from/(used in) financing activities	(17,406)	(2,770)	6,206	(15,152)
Net (decrease)/increase in cash and cash equivalents	(5,880)	5,858	(3,775)	4,405
Effect of exchange rate changes on cash and cash equivalents	(272)	58	(69)	138
Cash and cash equivalents at beginning of period	13,695	5,471	11,387	6,844
Cash and cash equivalents at end of the period	7,543	11,387	7,543	11,387

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of financial period:

	Group	
	12 Months Ended	
	31.12.2022	31.12.2021
	S\$'000	S\$'000
Cash and cash equivalents at the end of the period:		
Cash and bank balances and fixed and bank deposits	7,565	11,490
Less: Bank deposits pledged	(22)	(103)
Cash and cash equivalents	7,543	11,387

1. Corporate information

Federal International (2000) Ltd (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements for the six months and full year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“**S\$**”) which is the Company’s functional currency and all values in the tables are rounded to the nearest thousand (**S\$’000**) as indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group does not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

The adoption of the new standards that are effective on 1 January 2022 did not result in any substantial change to the Group’s and the Company’s accounting policies or have any significant impact on the condensed interim financial statements.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The critical judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has six reportable operating segments as follows:

- I. Trading segment is a supply of assembly and distribution of flowline control products, distribution of oilfield drilling equipment for use on onshore and offshore rigs and drilling platforms, provision of complete fire protection and detection systems, as well as electrical products for the marine, coal mining, oil and gas, petrochemical and pharmaceutical industries. In these respects, the Group offers products and related services in the areas of oil and gas, power, petrochemical and pharmaceutical industries.
- II. Manufacturing/Design/Research and Development segment is involved in research, development, design and manufacture of flowline control products, high pressure and temperature valves and related oilfield products.
- III. Marine Logistics segment is in the business of chartering of vessels to the offshore oil and gas and other related industries.
- IV. Energy and Utilities segment is involved in procurement and construction projects of waste water treatment facility and provision of wastewater treatment services to the end-users.
- V. Resources segment is in the business of sales and mining of coal and other natural resources.
- VI. Corporate and Others segment is involved in Group level corporate services and treasury functions and operating and maintenance of oil and gas facility services.

Geographical Information

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. Others include countries such as Malaysia, Philippines, United Kingdom, etc.

Non-current assets consist of property, plant and equipment, investment properties, right-of-use assets, investment in associates and intangible asset as presented in the Group's statement of financial positions.

Federal International (2000) Ltd and its Subsidiaries
Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4. Segment information (cont'd)

4.1 Business segments

Analysis by Business segments S\$'000	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate / Others		Elimination		Group	
	6 Months Ended															
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Revenue:																
External customers	42,091	28,552	1,205	556	-	-	705	1,888	-	-	-	-	-	-	44,001	30,996
Intersegment sales	18	15	402	330	-	-	-	-	-	-	-	1,440	1,440	(1,860)	(1,785)	-
Total revenue	42,109	28,567	1,607	886	-	-	705	1,888	-	-	-	1,440	1,440	(1,860)	(1,785)	44,001
Result:	3,316	3,267	264	(2)	(1,958)	91	(50)	42	(2,182)	542	(594)	(664)	4,971	(1,253)	3,767	2,023
Depreciation & amortisation	(454)	(575)	(57)	(76)	-	-	(2)	(2)	-	-	(484)	(510)	-	39	(997)	(1,124)
Other non-cash income/(expense)	1,817	(628)	(17)	3	(5,300)	(1)	(33)	178	-	-	2,000	922	-	-	(1,533)	474
Finance costs	(1,058)	(612)	(11)	(13)	-	-	-	-	-	-	-	(1)	133	123	(936)	(503)
Interest income															6	85
Share of results of associates															117	563
Profit before tax															424	1,518
Income tax (expense)/credit															(516)	204
(Loss)/profit net of tax															(92)	1,722

Federal International (2000) Ltd and its Subsidiaries
Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4. Segment information (cont'd)

4.1 Business segments (cont'd)

Analysis by Business segments S\$'000	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate / Others		Elimination		Group	
	12 Months Ended															
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Revenue:																
External customers	130,787	55,732	2,344	1,324	-	-	2,005	2,760	-	-	-	-	-	-	135,136	59,816
Intersegment sales	48	27	477	455	-	-	-	-	-	-	-	2,820	2,880	(3,345)	(3,362)	-
Total revenue	130,835	55,759	2,821	1,779	-	-	2,005	2,760	-	-	-	2,820	2,880	(3,345)	(3,362)	135,136
Result:	9,721	4,498	177	(35)	(1,078)	950	(151)	19	(2,200)	199	(96)	(1,048)	1,870	(1,449)	8,243	3,134
Depreciation & amortisation	(922)	(1,268)	(123)	(151)	-	-	(4)	(4)	-	-	(988)	(1,017)	24	130	(2,013)	(2,310)
Other non-cash income/(expense)	980	(1,176)	(27)	(7)	(5,300)	(1)	(34)	178	-	-	2,000	922	-	-	(2,381)	(84)
Finance costs	(1,842)	(1,302)	(24)	(29)	-	-	-	-	-	-	-	(1)	258	244	(1,608)	(1,088)
Interest income															55	136
Share of results of associates															815	1,038
Profit before tax															3,111	826
Income tax expense															(773)	(193)
Profit net of tax															2,338	633

Federal International (2000) Ltd and its Subsidiaries
Notes to the Condensed Interim Consolidated Financial Statements (cont'd)

4. Segment information (cont'd)

4.1 Business segments (cont'd)

Analysis by Business Segments S\$'000	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate / Others		Elimination		Group	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Assets:	113,751	130,381	1,876	2,226	3,454	3,862	3,366	4,819	-	-	80,897	89,226	(91,269)	(115,756)	112,075	114,758
Investment in asso. ⁽¹⁾	-	-	-	-	2,962	7,626	-	-	-	-	1,302	1,352	-	-	4,264	8,978
Unallocated assets															1,836	2,328
Total assets															118,175	126,064
Liabilities:	(73,713)	(98,478)	(5,600)	(6,433)	(86,556)	(86,482)	(9,767)	(13,106)	(53,957)	(54,108)	(43,585)	(45,197)	222,051	240,081	(51,127)	(63,723)
Unallocated liabilities															(1,793)	(1,548)
Total liabilities															(52,920)	(65,271)
Other segment information:																
Additions to non-current assets:																
- PPE ⁽²⁾	513	108	6	71	-	-	5	2	-	-	-	-	-	-	524	181
- ROU assets ⁽³⁾	70	6	-	-	-	-	-	-	-	-	-	-	-	-	70	6
- IP ⁽⁴⁾	-	4,100	-	-	-	-	-	-	-	-	-	-	-	-	-	4,100

(1) Associates
(2) Properties, plant and equipment
(3) Rights-of-use assets
(4) Investment properties

4. Segment information (cont'd)

4.2 Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

Analysis by Geographical Segments	Revenue 6 Months Ended		Revenue 12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Indonesia	24,223	11,011	99,850	12,162
Japan	31	12	48	64
People's Republic of China	3,602	7,677	9,020	14,442
Singapore	8,011	6,949	12,535	12,416
Thailand	3,386	3,082	5,177	16,161
Vietnam	1,979	14	2,908	637
Others ⁽¹⁾	2,769	2,251	5,598	3,934
	44,001	30,996	135,136	59,816

Analysis by Geographical Segments	Non-current Assets	
	FY2022	FY2021
	S\$'000	S\$'000
Indonesia	3,941	9,706
Japan	1,302	1,352
People's Republic of China	15	15
Singapore	12,230	30,347
Others ⁽¹⁾	337	503
	17,825	41,923

⁽¹⁾ Others include countries such as Malaysia, Philippines, United Kingdom, etc.

5. Revenue

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Point in time</u>				
Sale of products	43,807	29,689	133,948	58,116
<u>Overtime</u>				
Service concession income	194	226	377	513
Provision of wastewater treatment services	–	1,081	811	1,187
	44,001	30,996	135,136	59,816

Sale of products include trading of flowline control products, fire detection and protection systems, and environmental protection system.

5. Revenue (cont'd)

Group	FY2022	FY2021	Increase/ (decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	91,135	28,820	216.2
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	2,430	(1,089)	(323.1)
Sales reported for second half year	44,001	30,996	42.0
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(92)	1,722	(105.3)

6. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Other income				
Fair value gain of investment properties, net	3,000	2,300	2,930	2,300
Gain on disposal of property, plant and equipment	5	10	5	11
Implicit interest income	2	2	4	4
Interest income	4	83	51	132
Interest income on guaranteed repayment due from a related party	–	44	–	44
Other rental income	15	78	33	186
Rental income from investment properties	169	153	382	276
Grant income	–	22	–	313
Sundry income	347	405	595	717
	3,542	3,097	4,000	3,983
Other operating expenses				
Allowance for slow moving inventories	1	(791)	(368)	(1,101)
Amount due from a related party written off	–	(1)	–	(1)
Bad debts recovered	–	1,269	–	1,365
Foreign currency exchange loss	(1,696)	(1,009)	(1,671)	(1,127)
Inventories written off	(24)	(162)	(26)	(220)
Impairment loss on investment in associate	(5,300)	–	(5,300)	–
Loss on disposal of a subsidiary	–	–	(727)	–
Loss on disposal of property, plant and equipment	(2)	(13)	(5)	(13)
Other expenses	(91)	(29)	(686)	(41)
	(7,112)	(736)	(8,783)	(1,138)

6. Profit before tax (cont'd)

The following items have been included in arriving at profit before tax:

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Selling and distribution costs				
Depreciation of property, plant and equipment	(26)	(13)	(46)	(26)
Administrative and general costs				
Amortisation of intangible assets	(68)	(68)	(136)	(136)
Depreciation of property, plant and equipment	(785)	(918)	(1,597)	(1,886)
Depreciation of right-of-use assets	(118)	(125)	(234)	(262)
Net writeback of impairment loss/ (impairment loss) on financial assets				
Impairment loss on receivables (current)	(212)	(10)	(788)	(301)
Write back of impairment loss on receivables (current)	2,002	169	2,100	174
Write back of impairment loss on other receivables (non-current)	2,000	–	2,000	–
	3,790	159	3,312	(127)
Finance costs				
Interest expense on:				
- Bank overdrafts	(86)	(100)	(164)	(193)
- Term loans	(191)	(249)	(377)	(508)
- Trust receipts	(549)	(49)	(837)	(189)
- Lease liabilities	(86)	(91)	(175)	(184)
- Amount owing to a related party	(24)	(14)	(55)	(14)
	(936)	(503)	(1,608)	(1,088)

7. Income tax expense/(credit)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense/(credit) in the condensed interim consolidated income statement are:

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax				
- Current income taxation	124	88	382	88
- Under/(over) provision in respect of previous years	24	(112)	24	273
	148	(24)	406	361
Deferred income tax				
- Origination and reversal of temporary differences	337	(127)	336	(115)
- Under/(over) provision in respect of previous years	31	(53)	31	(53)
	368	(180)	367	(168)
Income tax expense/(credit) recognised in income statement	516	(204)	773	193

8. Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing profit/(loss) net of tax attributable to owners of the Company by the weighted average number of ordinary shares on issue (excluding treasury shares) during the financial period.

As at 31 December 2022 and 31 December 2021, diluted earnings/(loss) per share is similar to basic earnings/(loss) per share as there were no potential dilutive ordinary shares.

The following tables reflect the profit/(loss) and share data used in the computation of basic and diluted earnings/(loss) per share for the financial period ended 31 December:

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(loss) net of tax attributable to owners of the Company used in the computation of earnings/(loss) per share	(32)	1,384	2,504	334
	Number of shares		Number of shares	
	'000	'000	'000	'000
Weighted average number of ordinary shares on issue (excluding treasury shares) for earnings/(loss) per share computation	140,667	140,667	140,667	140,667

9. Related party transactions

(a) Other related party transactions

In addition to those related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Amount recovered from a director of certain subsidiaries ⁽¹⁾	–	922	–	922
Purchases of goods and services from an associate	–	–	(2)	–
Rental paid to a director of certain subsidiaries	(18)	(19)	(37)	(38)
Sales of goods and services to an associate	–	–	1	–
Secretarial and professional fee paid to director-related firms ⁽²⁾	(1)	(14)	(39)	(27)
(Repayments of)/additions to amount due to a director of certain subsidiaries	(74)	459	(327)	376
Repayment of amount due from a director of certain subsidiaries	–	–	200	–
(Repayment of)/addition to advances from a director of the Company	(20)	–	(20)	20
Repayment of loan received from an associate	–	–	339	–
Settlement of amount due from a related party ⁽³⁾	–	(3,773)	–	(3,773)

(1) The amount recovered during FY2021 related to a debt guaranteed by the director.

(2) During the current financial period, secretarial and professional services were provided by entity which is controlled by one of the independent directors of the Company. \$Nil (31 December 2021: \$3,000) was outstanding at the end of current financial period.

(3) The related party refers to a non-controlling interest (“NCI”) of a subsidiary where the Group and the NCI each took up a loan from the subsidiary. The loans were settled through a capital reduction of the subsidiary during FY2021.

(b) Compensation of key management personnel (“KMP”)

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Directors' fees	95	94	187	189
Short-term employee benefits	1,075	801	1,947	1,586
Defined contributions	69	36	99	75
Other short-term benefits	37	37	70	65
Total compensation paid to KMP	1,276	968	2,303	1,915
Comprise of amounts paid to:				
Directors of the Company	631	615	1,182	1,231
Other KMP	645	353	1,121	684
	1,276	968	2,303	1,915

10. Property, plant and equipment

During the six months ended 31 December 2022, the Group acquired assets amounting to S\$128,000 (six months ended 31 December 2021: S\$142,000) and disposed of assets amounting to net book value of S\$4,000 (six months ended 31 December 2021: S\$32,000).

10.1. Revaluation of leasehold building

Leasehold building relates to a single-storey detached factory situated at 12 Chin Bee Drive on leasehold land of 7,146.3 square metres. The lease tenure of the leasehold land is 30 years effective October 2013.

The fair value of the Group's leasehold building was determined based on the property's highest and best use by an external valuer using direct comparison with recent transactions of comparable properties within the vicinity at 31 December 2022. Adjustments were made for differences in location, land area, land shape, floor area, floor loading, ceiling height, tenure, design and layout, age and condition of buildings, dates of transactions and the prevailing market conditions amongst other factors affecting its value. The fair value measurement is categorised under Level 3 (31 December 2021: Level 3) of the fair value hierarchy.

The Group's leasehold building with carrying amount of S\$9,100,000 (31 December 2021: S\$8,700,000) is mortgaged to secure banking facilities and bank loans of certain subsidiaries (Note 19).

11. Investment properties

	Group	
	31.12.2022	31.12.2021
	S\$'000	S\$'000
Beginning of financial period	17,900	11,500
Reclassified from property, plant and equipment	–	4,100
Fair value gain recognised in income statement, net	2,930	2,300
Reclassification to assets classified as held for sale	(20,830)	–
End of financial period	–	17,900

Investment properties held by the Group relate to freehold land and buildings, consisting of two 3-storey terrace factories situated at 47 and 49 Genting Road on freehold land of 810.9 square metres ("**Genting properties**") and leasehold building, consisting of a single-storey factory situated at 11 Tuas Avenue 1 on a leasehold land area of 4,701.4 square metres ("**Tuas property**"). The lease tenure of the leasehold land is 22 years effective November 2012.

The Group's investment properties with carrying amount of S\$17,900,000 as at 31 December 2021 were mortgaged to secure banking facilities and bank loans of certain subsidiaries (Note 19).

11.1 Reclassification to assets classified as held for sale

On 3 January 2022, the Company's wholly-owned subsidiary, Federal Hardware Engineering Co Pte Ltd ("**FHEC**"), entered into a sales and purchase agreement ("**SPA**") with an independent third party for the disposal of Tuas property at a consideration of S\$4,030,000. The disposal of Tuas property was completed on 16 January 2023 (refer to the Company's announcement dated 16 January 2023 in relation to the completion of disposal).

On 24 August 2022, FHEC granted options to purchase ("**Options**") to an independent third party for the disposal of Genting properties at a consideration of S\$16,800,000. The Options were exercised by the buyer on 27 October 2022. The disposal of Genting properties was completed on 17 February 2023 (refer to the Company's announcement dated 17 February 2023 in relation to the completion of disposal).

11.1 Reclassification to assets classified as held for sale (cont'd)

As at 31 December 2022, the carrying amount of Tuas property and Genting properties of S\$4,030,000 and S\$16,800,000 respectively were reclassified to “Assets classified as held for sale” (Note 18).

11.2 Fair value of investment properties

During the six months ended 30 June 2022, a fair value loss of S\$70,000 was recognised for Tuas property. During the six months ended 31 December 2022, a fair value gain of S\$3,000,000 was recognised for Genting properties.

The fair value measurement of Genting properties and Tuas property is categorised under Level 2 (31 December 2021: Level 3) of the fair value hierarchy.

12. Investment in subsidiaries

12.1 Company level – Impairment review of investment in subsidiaries

Management determines that certain loans to subsidiaries are quasi-equity in nature, which are therefore included in the investment in subsidiaries.

During the six months ended 31 December 2022, management performed an impairment review for loans to subsidiaries for Federal Environmental & Energy Pte Ltd (“**FEE**”), PT Federal International (“**PTFI**”) and Eastern Jason Fabrication Services Pte Ltd (“**EJFS**”) and the Company made an impairment loss on loans to these subsidiaries of S\$8,193,000.

13. Investment in associates

During the six months ended 31 December 2022, management performed an impairment review and determined that there was objective evidence that the Group’s investment in an associate, PT Eastern Jason (“**PTEJ**”), was impaired after the Company’s wholly-owned subsidiary, EJFS, entered into a conditional sale and purchase agreement (“**Conditional SPA**”) with an independent third party to dispose EJFS’s 30% shareholdings in PTEJ (refer to the Company’s announcement dated 10 November 2022 in relation to the proposed disposal of interest in PTEJ). The Group made an impairment loss of S\$5,300,000 to write down its carrying amount of investment in PTEJ to its recoverable amount.

14. Intangible assets

	Group		
	Goodwill	Development costs	Total
	S\$'000	S\$'000	S\$'000
At 30 June 2022			
Cost	1,044	2,061	3,105
Accumulated amortisation and impairment loss [see below (a) and (b)]	(1,044)	(1,584)	(2,628)
Net carrying amount	–	477	477
6 months ended 31 December 2022			
Opening net carrying amount	–	477	477
Amortisation charge	–	(68)	(68)
Closing net carrying amount	–	409	409
At 31 December 2022			
Cost	1,044	2,061	3,105
Accumulated amortisation and impairment loss [see below (a) and (b)]	(1,044)	(1,652)	(2,696)
Net carrying amount	–	409	409

14. Intangible assets (cont'd)

(a) Impairment review of goodwill

Goodwill arising from business combinations that was allocated to Manufacturing/Design/Research and Development segment, a single cash-generating unit which is also a reportable operating segment, has been fully impaired.

(b) Impairment review of development costs

Development costs relate to testing and design development projects/prototypes. Development costs amounting to S\$696,000 relating to the second phase of a developing project has been fully impaired, as the Group expects delay in completing the development. Management reviewed and was of the opinion that there was no further indication of impairment as at 31 December 2022.

15. Financial assets at fair value through other comprehensive income ("FVOCI")

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Equity investments designated at FVOCI</i>				
Unquoted equity shares	381	381	381	381

The investments represent investments in unquoted equity shares in 2 companies incorporated in Indonesia, which are not held for trading. Accordingly, management has elected to designate these investments in equity shares at fair value through other comprehensive income. It is the Group's strategy to hold these investments for long-term purposes.

The fair value of the unquoted equity share is determined by reference to the equity value of an investee company as disclosed in Note 16.

No fair value adjustment was made as at 31 December 2022 (31 December 2021: S\$Nil) based on the fair value of the unquoted equity share. These investments are categorised under Level 3 (31 December 2021: Level 3) fair value hierarchy.

16. Other receivables (non-current)

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	86	90	–	–
Loan to a shareholder of an investee company	13,022	13,022	13,022	13,022
Less: impairment loss	–	(2,000)	–	(2,000)
	13,108	11,112	13,022	11,022

The loan to a shareholder of an investee company, as disclosed in Note 15, PT Gunanusa Utama Fabrication ("PTG"), is secured by the shareholder's shares in PTG, bears interest at 7% (31 December 2021: 7%) per annum and is repayable in December 2025 (31 December 2021: December 2023).

Management assessed the loan to a shareholder of an investee company for impairment using the expected credit loss model and took into consideration the fair value of the pledged shares. Impairment loss of S\$2,000,000 was written back as at 31 December 2022 (31 December 2021: S\$ Nil) after taking into consideration the fair value of the pledged shares as at 31 December 2022.

16. Other receivables (non-current) (cont'd)

The fair value of the pledged shares is determined by reference to the equity value of the investee company based on valuation performed by an external valuer using income approach. The valuation using income approach has been determined based on discounted cash flow analysis from forecast provided by the investee company covering a three-year period. The weighted average cost of capital applied to the cash flow projection and forecasted growth rate used to extrapolate cash flow projection beyond three-year period are 15.0% (31 December 2021: 12.3%) and 1.6% (31 December 2021: 1.7%) respectively.

17. Trade receivables

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2022 and 31 December 2021 are set out in the provision matrix below:

Group	Weighted average loss rate %	Gross carrying amount S\$'000	Credit loss allowance S\$'000	Net carrying amount S\$'000
31 December 2022				
Current (not past due)	–	2,829	–	2,829
1 – 120 days past due	–	10,468	–	10,468
More than 120 days past due ⁽¹⁾	28.4	28,006	(7,955)	20,051
		41,303	(7,955)	33,348
31 December 2021				
Current (not past due)	–	16,694	–	16,694
1 – 120 days past due	0.8	6,418	(52)	6,366
More than 120 days past due	42.3	23,414	(9,903)	13,511
		46,526	(9,955)	36,571

(1) Included in the net carrying amount that was more than 120 days past due as at 31 December 2022 were:

- amount due from PTG amounting to S\$16.1 million (31 December 2021: S\$8.3 million). The Group continues to monitor PTG's financial position and performance on a periodic basis to manage the Group's overall exposure and its recoverability.
- amount of S\$1.4 million of certain trade debtors in Indonesia, who defaulted on payments and which were fully impaired in prior years. During current financial period, the Group won a BANI (Badan Arbitrase Nasional Indonesia) case against an insurance company who issued surety bonds to these debtors. The Group expect to recover certain amount from this insurance company and writeback an impairment loss of S\$1.4 million relating to these debtors during current financial period.
- retention amount of S\$0.6 million (31 December 2021: S\$2.5 million) from customers in accordance with contract terms. These retention money are expected to be paid upon completion of final documentations.

As at 31 December 2022, included in trade receivables is an amount of S\$686,000 (31 December 2021: S\$11.8 million) relating to advance billing issued to customers.

18. Assets classified as held for sale
Liabilities directly associated with the assets held for sale

The disposal group comprised the following assets and liabilities:

	Group	
	31.12.2022	31.12.2021
	S\$'000	S\$'000
<u>Assets classified as held for sale</u>		
Right-of-use assets	656	–
Investment properties (Note 11)	20,830	–
	21,486	–
<u>Liabilities directly associated with the assets held for sale</u>		
Lease liabilities	720	–

18. Assets classified as held for sale (cont'd)
Liabilities directly associated with the assets held for sale (cont'd)

As at 31 December 2022, there is revaluation surplus of S\$12,290,000 relating to the assets classified as held for sale, which is included in other comprehensive income and accumulated in equity under the revaluation reserve. The revaluation surplus of S\$12,290,000 will be transferred directly to accumulated losses upon the completion of disposal.

The fair value measurement of investment properties classified as held for sale is categorised under Level 2 of the fair value hierarchy.

The Group's investment properties classified as held for sale with carrying amount of S\$20,830,000 as at 31 December 2022 are mortgaged to secure banking facilities and bank loans of certain subsidiaries (Note 19).

19. Amounts due to banks
Term loans

	Group	
	31.12.2022	31.12.2021
	S\$'000	S\$'000
Amounts due to banks		
<u>Amount repayable within one year or less, or on demand</u>		
Bank overdrafts, secured	3,063	3,270
Trust receipts, secured	15,485	3,955
	18,548	7,225
Term loans		
<u>Amount repayable within one year or less, or on demand</u>		
Term loans, secured	6,539	7,418
<u>Amount repayable after one year</u>		
Term loans, secured	1,834	4,327
Aggregate amounts of Group's borrowings		
<u>Amount repayable within one year or less, or on demand</u>		
Secured	25,087	14,643
<u>Amount repayable after one year</u>		
Secured	1,834	4,327

19.1 Securities

The Group's bank overdrafts, trust receipts and term loans are secured on:

- (i) legal mortgage on the Group's leasehold building (Note 10);
- (ii) legal mortgage on the Group's investment properties (Note 11 and 18);
- (iii) corporate guarantee by the Company;
- (iv) Standby Letter of Credit issued by financial institution and guaranteed by related companies;
- (v) personal guarantee and pledge of real property by a director of a subsidiary;
- (vi) charge over the contracts and contract proceeds & first fixed charge over account in respect of certain sales proceeds; and
- (vii) first floating charge over certain receivables of a subsidiary.

20. Share capital
Treasury shares

	Group and Company			
	31.12.2022		31.12.2021	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Share capital <i>Issued and fully paid ordinary shares</i> Beginning and end of financial period	140,767	144,099	140,767	144,099
Treasury shares Beginning and end of financial period	(100)	(25)	(100)	(25)
Total number of issued shares excluding treasury shares as at end of financial period	140,667		140,667	

The Company did not issue any ordinary shares during the 12 months ended 31 December 2022.

The Company did not have any convertible securities as at 31 December 2022 (31 December 2021: Nil).

There was a total of 100,000 treasury shares held as at 31 December 2022 (31 December 2021: 100,000). There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no subsidiary holdings as at 31 December 2022 (31 December 2021: Nil). There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

21. Fair value measurement

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

21. Fair value measurement (cont'd)

The following table shows an analysis of each class of assets measured at fair value at each reporting period:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 December 2022				
<u>Group</u>				
<u>Non-financial assets</u>				
Property, plant and equipment - leasehold building	–	–	9,100	9,100
<u>Financial assets at FVOCI</u>				
Unquoted equity shares	–	–	381	381
<u>Assets classified as held for sale</u>				
Investment properties	–	20,830	–	20,830
<u>Company</u>				
<u>Financial assets at FVOCI</u>				
Unquoted equity shares	–	–	381	381
31 December 2021				
<u>Group</u>				
<u>Non-financial assets</u>				
Property, plant and equipment - leasehold building	–	–	8,700	8,700
Investment properties	–	–	17,900	17,900
<u>Financial assets at FVOCI</u>				
Unquoted equity shares	–	–	381	381
<u>Company</u>				
<u>Financial assets at FVOCI</u>				
Unquoted equity shares	–	–	381	381

22. Categories of Financial assets and financial liabilities

Set out below are the carrying amounts of the Group's and Company's financial assets and financial liabilities as at 31 December 2022 and 31 December 2021:

	Group		Company	
	31.12.2022 S\$'000	31.12.2021 S\$'000	31.12.2022 S\$'000	31.12.2021 S\$'000
Financial assets				
At FVOCI	381	381	381	381
At amortised cost	60,031	64,076	21,203	19,137
At cost	–	–	4,412	12,862
	60,412	64,457	25,996	32,380
Financial liabilities				
At amortised cost	46,901	44,136	1,356	1,285
At cost	–	–	6,641	8,402
	46,901	44,136	7,997	9,687

23. Net Asset Value

	Group		Company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	cents	cents	cents	cents
Net asset value per ordinary share	60.01	56.89	51.12	55.13

Net asset value per share is calculated based on the number of ordinary shares on issue (excluding treasury shares) of 140,667,484 as at 31 December 2022 (31 December 2021: 140,667,484).

24. Subsequent events

There are no other known subsequent events which have led to adjustments to this set of interim financial statements.

1. Review

The condensed consolidated statement of financial position of Federal International (2000) Ltd and its subsidiaries as at 31 December 2022 and the related condensed consolidated income statement and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) **Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is material uncertainty relating to going concern.

None.

3. 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 affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

CONSOLIDATED INCOME STATEMENT

FY2022 versus FY2021

Revenue

Group revenue of S\$135.1 million was 125.9% higher than the revenue in FY2021. This was mainly attributable to higher sales from the Trading business in relation to a project with PT Gunanusa Utama Fabrication ("PTG") in Indonesia, partially offset by lower sales from the Trading businesses in Thailand and China.

Gross profit

Gross profit of S\$20.6 million was higher than FY2021 of S\$12.0 million, which was in line with the higher sales recorded in FY2022. However, gross profit margin was lower at 15.3% (FY2021: 20.1%) as a result of lower margin on sales to PTG.

Other income

Other income of S\$4.0 million in FY2022 remained comparable to FY2021.

Selling and distribution costs

Selling and distribution costs of S\$5.7 million were higher than the costs incurred in FY2021 of S\$5.2 million largely attributable to higher staff cost.

Administrative and general costs

Administrative and general costs of S\$9.6 million (FY2021: S\$8.7 million) were higher mainly due to higher bank charges incurred for project financing and staff cost.

CONSOLIDATED INCOME STATEMENT (cont'd)

FY2022 versus FY2021 (cont'd)

Other operating expenses

Other operating expenses of S\$8.8 million were higher than expenses of S\$1.1 million in FY2021, mainly due to the following in FY2022:

- a) impairment loss on investment in PTEJ of S\$5.3 million;
- b) absence of bad debts recovered of S\$1.4 million in FY2021;
- c) loss on disposal of subsidiary of S\$727,000;
- d) higher other expenses of S\$645,000 mainly relating to vessel related expenses; and
- e) higher foreign currency exchange loss of S\$544,000.

The above increase was partially offset by lower allowance for slow moving inventories of S\$733,000 and lower Inventories written off of S\$194,000 in FY2022.

Net writeback of impairment loss/(impairment loss) on financial assets

The Group recorded a net writeback of impairment loss on financial assets of S\$3.3 million in FY2022 (FY2021: net impairment loss of S\$127,000) comprising expected recovery from trade debtors in the Group's Indonesia Trading business of S\$1.3 million and writeback of impairment loss on loan to a shareholder of PTG of S\$2 million.

Finance costs

Higher finance costs of S\$1.6 million (FY2021: S\$1.1 million) mainly due to higher interest expenses on trust receipts partially offset by lower term loans interest expenses.

Share of results of associates

Share of results of associates of S\$815,000 in FY2022 (FY2021: S\$1.0 million) were lower due to lower contribution from PTEJ.

Income tax expense

The Group recorded an income tax expense of S\$773,000 in FY2022 mainly relating to current income tax provision of S\$382,000 and reversal of deferred tax assets of S\$336,000 arising from writeback of impairment loss of trade receivables whereas in FY2021, the income tax expense of S\$193,000 mainly related to under provision of prior years' current income tax.

2H2022 versus 2H2021

Revenue

Revenue of S\$44.0 million in 2H2022 was 42.0% higher than the revenue in 2H2021. This was mainly due to higher sales from the Trading business in relation to a project with PTG in Indonesia, partially offset by lower sales from the Trading businesses in China.

Gross profit

Gross profit of S\$9.0 million in 2H2022 was higher than 2H2021 of S\$6.0 million, which was in line with the higher revenue recorded and a higher gross profit margin at 20.5% (2H2021: 19.3%) in 2H2022.

Other income

Other income of S\$3.5 million was higher than the S\$3.1 million in 2H2021, which was mainly due to higher fair value gain of investment properties of S\$700,000, partially offset by a lower interest income and rental income.

Selling and distribution costs

Selling and distribution costs of S\$3.1 million were higher than cost of S\$2.6 million incurred in 2H2021 as a result of higher staff cost in 2H2022.

CONSOLIDATED INCOME STATEMENT (cont'd)

2H2022 versus 2H2021 (cont'd)

Administrative and general costs

Administrative and general costs of S\$4.9 million were higher than cost of S\$4.5 million incurred in 2H2021, which was largely attributable to higher staff cost and bank charges incurred for project financing in relation to sales from the Trading business in Indonesia.

Other operating expenses

Other operating expenses of S\$7.1 million were higher than expenses of S\$736,000 in 2H2021, mainly due to following in 2H2022:

- a) impairment loss on investment in PTEJ of S\$5.3 million;
- b) absence of bad debts recovered amounting to S\$1.3 million in 2H2021;
- c) higher foreign currency exchange loss of S\$687,000.

The above increase was partially offset by lower allowance for slow moving inventories of S\$792,000 and lower Inventories written off of S\$138,000 in 2H2022.

Net writeback of impairment loss on financial assets

The Group recorded a net writeback of impairment loss on financial assets of S\$3.8 million in 2H2022 (2H2021: S\$159,000) comprising expected recovery of trade debtors in the Group's Indonesia Trading business of S\$1.8 million and writeback of impairment loss on loan to a shareholder of PTG of S\$2 million.

Finance costs

Higher finance costs of S\$936,000 in 2H2022 (2H2021: S\$503,000) due mainly to higher interest expenses on trust receipts partially offset by lower interest expense on term loans.

Share of results of associates

The Group's share of results of associates of S\$117,000 in 2H2022 (2H2021: S\$563,000) were lower mainly due to lower contribution from PTEJ.

Income tax (expense)/credit

The Group recorded an income tax expense of S\$516,000 in 2H2022 mainly relating to current income tax provision of S\$124,000 and reversal of deferred tax assets of S\$337,000 arising from writeback of impairment loss of trade receivables, whereas in 2H2021, the tax credit of S\$204,000 mainly related to prior years' over provision of current income tax and current year provision of deferred tax assets.

STATEMENT OF FINANCIAL POSITION FOR THE GROUP

Equity attributable to owners of the Company

As at 31 December 2022, equity attributable to owners of the Company amounted to S\$84.4 million, which translated to a net asset value per ordinary share of 60.01 cents.

Non-current assets

Non-current assets decreased by \$22.6 million to S\$33.1 million (31 December 2021: S\$55.7 million) mainly due to:-

- a) reclassification of investment properties of S\$17.9 million to "Assets classified as held for sale";
- b) decrease in investment in associates of S\$4.7 million as a result of impairment loss of S\$5.3 million made, partially offset by share of associates' results during the period;
- c) decrease in right-of-use assets of S\$872,000 due to reclassification to "Assets classified as held for sale" and depreciation charge during the period;
- d) decrease in deferred tax assets of S\$492,000; and
- e) decrease in property, plant and equipment of S\$476,000 mainly due to depreciation charge of S\$1.6 million, partially offset by revaluation surplus of S\$795,000 and additions of assets of S\$524,000.

STATEMENT OF FINANCIAL POSITION FOR THE GROUP (cont'd)

Non-current assets (cont'd)

The above decrease was partially offset by higher other receivables of S\$2 million as a result of writeback of impairment loss on loan to a shareholder of PTG.

Current assets

Current assets increased by S\$14.7 million to S\$85.0 million (31 December 2021: S\$70.3 million) mainly due to: -

- a) assets reclassified as held for sale of S\$21.5 million;
- b) increase in inventories of S\$2.9 million in anticipation of sales in next year; and
- c) increase in other receivables of S\$1.6 million mainly due to deposits held by lawyers in relation to the disposal of Tuas and Genting properties and loan and advances to an investee company;

The above increase was partially offset by: -

- d) decrease in cash and bank balances of S\$3.8 million;
- e) lower trade receivables of S\$3.2 million mainly due to collections from debtors during the period;
- f) lower advance payment to suppliers in relation to on-going projects of S\$3.2 million;
- g) decrease in prepayment of S\$326,000 mainly due to amortisation of prepaid bank charges in relation to project financing and transfer to property, plant and equipment after completion of computer software installation; and
- h) repayments of amounts due from associates of S\$352,000 and amount due from a related party of S\$200,000.

Current liabilities

Current liabilities decreased by S\$9.2 million to S\$47.3 million (31 December 2021: S\$56.5 million) mainly due to: -

- a) lower contract liabilities (advance consideration received from customers) of S\$16.2 million and trade payables of S\$9.5 million with the substantial completion of on-going projects;
- b) repayment of term loans of S\$879,000 and partial settlement of amounts due to related parties of S\$510,000.

The above decrease was partially offset by:

- c) higher amounts due to banks of S\$11.3 million as a result of net drawdown of trust receipts;
- d) higher other payables of S\$5.7 million, mainly relating to deposits received for disposal of Tuas and Genting properties (S\$1 million) and land drilling rig (S\$2 million), and higher accruals;
- e) reclassification of "Liabilities directly associated with the assets held for sale" of S\$720,000.

Non-current liabilities

Non-current liabilities decreased by S\$3.1 million to S\$5.7 million (31 December 2021: S\$8.8 million) mainly due to repayment of term loans of S\$2.5 million and decrease in lease liabilities of S\$835,000 as a result of reclassification to "Liabilities directly associated with the assets held for sale".

STATEMENT OF FINANCIAL POSITION FOR THE COMPANY

Non-current assets

Non-current assets decreased by S\$11.1 million to S\$72.0 million (31 December 2021: S\$83.1 million) mainly due to:

- a) impairment loss of S\$8.2 million on quasi-equity loans to subsidiaries;
- b) impairment loss of S\$851,000 on investment in a subsidiary; and
- c) reclassification of S\$4.1 million loan to a subsidiary to current asset.

The above decrease was partially offset by higher other receivables of S\$2 million as a result of writeback of impairment loss on loan to a shareholder of PTG.

STATEMENT OF FINANCIAL POSITION FOR THE COMPANY (cont'd)

Current assets

Current assets increased by S\$3.8 million to S\$8.2 million (31 December 2021: S\$4.4 million) mainly attributable to: -

- a) higher amounts due from subsidiaries of S\$3.3 million largely attributable to a reclassification of S\$4.1 million loan to a subsidiary from non-current asset to current asset, partially offset by settlement from intercompanies;
- b) higher other receivables of S\$310,000 mainly due to loan to an investee company; and
- c) higher cash and bank balances of S\$249,000.

Current liabilities

Current liabilities increased by S\$161,000 to S\$1.6 million (31 December 2021: S\$1.4 million) mainly relating to accruals of staff cost and provision current income tax.

Non-current liabilities

Non-current liabilities decreased by S\$1.7 million to S\$6.8 million (31 December 2021: S\$8.5 million) partial settlement of amount due to a subsidiary.

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 December 2022, the Group's cash and cash equivalents, excluding bank deposits pledged, amounted to S\$7.5 million. Overall, the Group's cash and cash equivalents decreased by S\$3.8 million for the year ended 31 December 2022.

The net cash of S\$10.2 million used in operating activities mainly related to changes in working capital such as an increase in trade and other receivables, inventories and a decrease in trade and other payables, contract liabilities. Nevertheless, this was partially offset by positive operating cash flows of S\$6.1 million. The Group continues to control and manage its trade receivable position. The payments from the project with PTG are channelled into a joint account between the Group and PTG, which includes a mandated sweeping mechanism where money is transferred to a bank account of the Group for settlement of project financing facilities utilised by the Group, such as trust receipts.

The net cash of S\$233,000 generated from investing activities mainly related to repayments received from associate and investee company, partially offset by purchase of property, plant and equipment.

The net cash of S\$6.2 million generated from financing activities mainly related to net drawdown of trust receipts of S\$11.5 million, partially offset by repayments of term loans and payment of interest expense.

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

No forecast or prospect statement was given.

5. 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 procurement agreement with PT Gunanusa Utama Fabrication ("PTG") entered into in September 2021 has been largely completed in FY2022. The Group is currently working with its strategic partners to secure oil and gas projects in the pipeline. Oil and gas activities are expected to remain sound on the back of high oil and gas prices despite geopolitical uncertainties and inflationary pressures. To better support the Group's efforts, it has disposed its JTC leased property at Tuas Avenue 1 and freehold properties at Genting Road. Proceeds have been used to reduce bank loans, provide for general working capital and future investments when opportunities arise.

The Group is mindful of the potential escalation of geopolitical tensions and global supply disruption that impact operation cost volatility and continues to manage them with caution.

6. 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.

7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividends have been declared or recommended as the Group wish to preserve cash for working capital and pursue new opportunities.

8. Interested Person Transactions

The Company does not have a shareholders' mandate for interested person transactions ("IPT").

The aggregate value of all IPTs during the financial period under review is less than S\$100,000.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

10. In the review 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 3 of "Other information Required by Listing Rule Appendix 7.2".

11. 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	FY2022	FY2021
	S\$'000	S\$'000
Ordinary	–	–
Preference	–	–
Total	–	–

12. 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
Mr. Koh Beng Guan, Don	48	(a) Son of Mr. Koh Kian Kiong, the Executive Chairman and Chief Executive Officer (b) Brother of Ms. Maggie Koh, an Executive Director	<p>Position: Deputy Group Chief Executive Officer with effective from 1 January 2022.</p> <p>Duties: Mr. Don Koh assists the Group CEO in the formation of the Group's corporate strategies and expansion plan. In addition, he oversees the operations of Alton International (S) Pte. Ltd., PT Fedsin Rekayasa Pratama and related Indonesia businesses.</p>	Mr. Don Koh was re-designated as Deputy Group Chief Executive Officer and stepped down as Executive Director with effective from 1 January 2022.

On behalf of the Board of Directors

Koh Kian Kiong
Executive Chairman & CEO

Maggie Koh
Executive Director

Singapore
 27 February 2023