FEDERAL INTERNATIONAL (2000) LTD

Incorporated in the Republic of Singapore
Registration No. 199907113K

Unaudited Condensed Interim Financial Statements For the Six Months Ended 30 June 2026

13 August 2026

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

Condensed Interim Consolidated Income Statement

		Group		
		6 Months Ended		
	Note	30.06.2026	30.06.2025	Changes
		S$'000	S$'000	%
INCOME STATEMENT				
Revenue	5	79,717	53,941	47.8
Cost of sales		(73,424)	(42,236)	73.8
Gross profit		**6,293**	**11,705**	(46.2)
Gross profit margin		**7.9%**	**21.7%**	
Other income	6	891	1,140	(21.8)
Selling and distribution costs	6	(2,537)	(2,579)	(1.6)
Administrative and general costs	6	(3,902)	(3,777)	3.3
Other operating expenses	6	(441)	(2,429)	(81.8)
Net impairment loss on financial assets	6	–	(70)	(100.0)
Finance costs	6	(213)	(290)	(26.6)
Share of results of associates		(16)	(52)	(69.2)
Profit before tax	6	**75**	**3,648**	(97.9)
Income tax expense	7	(52)	(573)	(90.9)
Profit net of tax		**23**	**3,075**	(99.3)
Attributable to:				
Owners of the Company		29	2,481	(98.8)
Non-controlling interests		(6)	594	(101.0)
		23	**3,075**	(99.3)
Earnings per share attributable to owners of the Company (cents per share)	8			
Basic		0.02	1.76	
Diluted		0.02	1.76	

	Group		
	6 Months Ended		
	30.06.2026	30.06.2025	Changes
	S$'000	S$'000	%
Profit net of tax	23	3,075	(99.3)
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation	2	(337)	(100.6)
Fair value (loss)/gain of equity investment – financial assets at fair value through other comprehensive income ("**FVOCI**") (Note 11)	(7,108)	1,457	N.M.
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation	196	(67)	N.M.
Share of other comprehensive loss of associates	(51)	(686)	(92.6)
Foreign currency translation on loss of control of disposal group classified as held for sale and loss of control of a subsidiary	129	(527)	(124.5)
Other comprehensive loss for the period, net of tax	**(6,832)**	**(160)**	N.M.
Total comprehensive (loss)/income for the period	**(6,809)**	**2,915**	N.M.
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(6,805)	2,658	N.M.
Non-controlling interests	(4)	257	(101.6)
	(6,809)	**2,915**	N.M.

N.M. – Not Meaningful

Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As At 30.06.2026	**As At 31.12.2025**	**As At 30.06.2026**	**As At 31.12.2025**
		S$'000	**S$'000**	**S$'000**	**S$'000**
Non-current assets					
Property, plant and equipment	10	9,280	9,588	8	10
Right-of-use assets		2,108	2,225	–	–
Investment in subsidiaries		–	–	53,679	53,677
Investment in associates		2,063	2,224	732	732
Financial assets at FVOCI	11	11,352	10,111	11,352	10,111
Other receivables		1,300	465	–	–
Deferred tax assets		20	10	–	–
		26,123	**24,623**	**65,771**	**64,530**
Current assets					
Inventories		8,135	8,459	–	–
Trade receivables	12	14,537	31,708	–	–
Other receivables		670	978	–	11
Advance payment to suppliers		4,953	1,605	–	–
Prepayments		146	109	9	12
Deposits		16	15	–	–
Amounts due from subsidiaries		–	–	653	5,330
Fixed and bank deposits		17,043	21,248	–	13,498
Cash and bank balances		11,674	23,936	965	1,146
		57,174	**88,058**	**1,627**	**19,997**
Assets of disposal group classified as held for sale	13	–	21,913	–	2,983
		57,174	**109,971**	**1,627**	**22,980**
Current liabilities					
Trade payables		3,432	25,770	–	–
Other payables		6,053	20,002	428	14,495
Contract liabilities		4,603	1,290	–	–
Amount due to a subsidiary		–	–	69	–
Amount due to a related party		–	39	–	–
Amounts due to banks	14	786	10,324	–	–
Lease liabilities		195	179	–	–
Provision for taxation		403	841	–	–
		15,472	**58,445**	**497**	**14,495**
Net current assets		**41,702**	**51,526**	**1,130**	**8,485**
Non-current liabilities					
Provision for post-employment benefits		22	46	–	–
Lease liabilities		2,243	2,327	–	–
Deferred tax liabilities		1,243	1,243	116	116
		3,508	**3,616**	**116**	**116**
Net assets		**64,317**	**72,533**	**66,785**	**72,899**

		Group		Company	
	Note	As At 30.06.2026	As At 31.12.2025	As At 30.06.2026	As At 31.12.2025
		S$'000	S$'000	S$'000	S$'000
Equity					
Share capital	15	144,099	144,099	144,099	144,099
Treasury shares	15	(25)	(25)	(25)	(25)
Foreign currency translation reserve		(2,634)	(2,764)	–	–
Capital reserve		5	5	–	–
Revaluation reserve		8,443	8,443	–	–
Reserves of disposal group classified as held for sale	13	–	(440)	–	(296)
Other reserves		(8,520)	(1,412)	(7,257)	(149)
Accumulated losses		(77,009)	(75,335)	(70,032)	(70,730)
Equity attributable to owners of the Company		**64,359**	**72,571**	**66,785**	**72,899**
Non-controlling interests		(42)	(38)	–	–
Total equity		**64,317**	**72,533**	**66,785**	**72,899**

GROUP

	Attributable to owners of the Company										
	Share capital S$'000	**Treasury shares S$'000**	**Foreign currency translation reserve S$'000**	**Capital reserve S$'000**	**Revalua-tion reserve S$'000**	**Reserves of disposal group classified as held for sale S$'000**	**Other reserves S$'000**	**Accumu-lated losses S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Balance at 01.01.2026	**144,099**	**(25)**	**(2,764)**	**5**	**8,443**	**(440)**	**(1,412)**	**(75,335)**	**72,571**	**(38)**	**72,533**
Profit net of tax	–	–	–	–	–	–	–	29	**29**	(6)	**23**
Other comprehensive income/(loss):											
Items that will not be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	–	–	–	–	–	–	**–**	2	**2**
Fair value loss of equity investment – financial assets at FVOCI	–	–	–	–	–	–	(7,108)	–	**(7,108)**	–	**(7,108)**
Items that are or may be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	196	–	–	–	–	–	**196**	–	**196**
Share of other comprehensive gain/(loss) of associates	–	–	(66)	–	–	15	–	–	**(51)**	–	**(51)**
Foreign currency translation on loss of control of disposal group classified as held for sale	–	–	–	–	–	129	–	–	**129**	–	**129**
Total comprehensive income/(loss) for the period	**–**	**–**	**130**	**–**	**–**	**144**	**(7,108)**	**29**	**(6,805)**	**(4)**	**(6,809)**
Dividend paid	–	–	–	–	–	–	–	(1,407)	**(1,407)**	–	**(1,407)**
Reserve transferred to accumulated losses on loss of control of disposal group classified as held for sale	–	–	–	–	–	296	–	(296)	**–**	–	**–**
Balance at 30.06.2026	**144,099**	**(25)**	**(2,634)**	**5**	**8,443**	**–**	**(8,520)**	**(77,009)**	**64,359**	**(42)**	**64,317**
Balance at 01.01.2025	**144,099**	**(25)**	**(1,643)**	**5**	**8,078**	**–**	**(4,641)**	**(77,824)**	**68,049**	**(1,133)**	**66,916**
Profit net of tax	–	–	–	–	–	–	–	2,481	**2,481**	594	**3,075**
Other comprehensive income/(loss):											
Items that will not be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	–	–	–	–	–	–	**–**	(337)	**(337)**
Fair value gain of equity investment – financial assets at FVOCI	–	–	–	–	–	–	1,457	–	**1,457**	–	**1,457**
Items that are or may be reclassified subsequently to profit or loss:											
Foreign currency translation	–	–	(67)	–	–	–	–	–	**(67)**	–	**(67)**
Share of other comprehensive loss of associates	–	–	(686)	–	–	–	–	–	**(686)**	–	**(686)**
Foreign currency translation on loss of control of a subsidiary	–	–	(527)	–	–	–	–	–	**(527)**	–	**(527)**
Total comprehensive income/(loss) for the period	**–**	**–**	**(1,280)**	**–**	**–**	**–**	**1,457**	**2,481**	**2,658**	**257**	**2,915**
Dividend paid	–	–	–	–	–	–	–	(703)	**(703)**	–	**(703)**
Disposal of non-controlling interest in subsidiary	–	–	–	–	–	–	–	–	**–**	847	**847**
Balance at 30.06.2025	**144,099**	**(25)**	**(2,923)**	**5**	**8,078**	**–**	**(3,184)**	**(76,046)**	**70,004**	**(29)**	**69,975**

Company	**Share capital**	**Treasury shares**	**Reserves of disposal group classified as held for sale**	**Other reserves**	**Accumu-lated losses**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at 01.01.2026	**144,099**	**(25)**	**(296)**	**(149)**	**(70,730)**	**72,899**
Profit net of tax	–	–	–	–	2,401	2,401
Other comprehensive loss:						
Items that will not be reclassified subsequently to profit or loss:						
Fair value loss of equity investment – financial assets at FVOCI	–	–	–	(7,108)	–	(7,108)
Total comprehensive (loss)/income for the period	–	–	–	(7,108)	2,401	(4,707)
Dividend paid	–	–	–	–	(1,407)	(1,407)
Reserve transferred to accumulated losses on loss of control of disposal group classified as held for sale	–	–	296	–	(296)	–
Balance at 30.06.2026	**144,099**	**(25)**	–	**(7,257)**	**(70,032)**	**66,785**
Balance at 01.01.2025	**144,099**	**(25)**	–	**(3,378)**	**(71,848)**	**68,848**
Profit net of tax	–	–	–	–	704	704
Other comprehensive income:						
Items that will not be reclassified subsequently to profit or loss:						
Fair value gain of equity investment – financial assets at FVOCI	–	–	–	1,457	–	1,457
Total comprehensive income for the period	–	–	–	1,457	704	2,161
Dividend paid	–	–	–	–	(703)	(703)
Balance at 30.06.2025	**144,099**	**(25)**	–	**(1,921)**	**(71,847)**	**70,306**

Condensed Interim Consolidated Statement of Cash Flows

	Group	
	For 6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
Cash flows from operating activities:		
Profit before tax	75	3,648
Adjustments for:		
Allowance/(writeback of allowance) for slow moving inventories	79	(47)
Amortisation of intangible assets	–	68
Bad debts recovered	(4)	(1)
Depreciation of property, plant and equipment	349	347
Depreciation of right-of-use assets	140	132
Dividend income	(527)	(657)
Gain on disposal of a subsidiary	–	(32)
Gain on disposal of property, plant and equipment, net	–	(11)
Loss on disposal of asset of disposal group classified as held for sale	221	–
Impairment loss on trade receivables	–	76
Interest expense	213	290
Interest income	(162)	(132)
Share of results of associates	16	52
Writeback of impairment loss on trade receivables	–	(6)
Foreign currency exchange (gain)/loss	(79)	113
Operating cash flows before changes in working capital	**321**	**3,840**
Decrease/(increase) in:		
Inventories	186	4,405
Trade and other receivables	18,046	(9,087)
Advance payment to suppliers	(3,367)	1,518
Prepayments	(38)	(44)
Deposits	(1)	1
Amounts due from associates	–	1,037
Increase/(decrease) in:		
Trade and other payables	(22,546)	69
Contract liabilities	1,974	325
Provision for post-employment benefits	(24)	(14)
Cash (used in)/generated from operations	**(5,449)**	**2,050**
Bad debts recovered received	4	1
Income taxes paid	(417)	(175)
Interest income received	–	158
Net cash (used in)/generated from operating activities	**(5,862)**	**2,034**
Cash flows from investing activities:		
Dividend income received, net of tax	523	588
Interest income received	288	219
Proceeds from disposal of property, plant and equipment	–	11
Purchase of property, plant and equipment	(43)	(100)
Net cash generated from investing activities	**768**	**718**

	Group	
	For 6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
Cash flows from financing activities:		
Dividend paid	(1,407)	(703)
Interest expense paid	(312)	(282)
Increase in pledged deposits	–	(750)
Proceeds from bank overdrafts	–	2,726
Repayments of term loans	–	(482)
Drawdown of trust receipts	15,884	13,757
Repayments of trust receipts	(25,231)	(14,539)
Repayments of lease liabilities - principal	(93)	(77)
Repayments of lease liabilities - interest	(66)	(70)
Repayments of advances from a related party	(37)	–
Net cash used in financing activities	**(11,262)**	**(420)**
Net (decrease)/increase in cash and cash equivalents	(16,356)	2,332
Effect of exchange rate changes on cash and cash equivalents	(111)	(423)
Cash and cash equivalents at beginning of period	37,408	7,705
Cash and cash equivalents at end of the period	**20,941**	**9,614**

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

	Group	
	6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
Cash and cash equivalents at the end of the period:		
Fixed and bank deposits	17,043	7,750
Cash and bank balances	11,674	9,640
Less: Bank balances and deposits pledged	(7,776)	(7,776)
Cash and cash equivalents	**20,941**	**9,614**

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 ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "**Group**").

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2026 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 annual financial statements for the year ended 31 December 2025.

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 2026 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 2025.

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 four 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. Corporate and Others segment is involved in Group level corporate services and treasury functions.

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 and South Korea, etc.

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

4. Segment information (cont'd)

4.1 Business segments

Analysis by Business segments	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Corporate / Others		Elimination		Group	
	6 Months Ended											
S$'000	**30.06.2026**	**30.06.2025**	**30.06.2026**	**30.06.2025**	**30.06.2026**	**30.06.2025**	**30.06.2026**	**30.06.2025**	**30.06.2026**	**30.06.2025**	**30.06.2026**	**30.06.2025**
Revenue:												
External customers	**78,926**	35,582	**791**	517	**–**	17,842	**–**	–	**–**	–	**79,717**	53,941
Intersegment sales	**8**	367	**172**	248	**–**	–	**1,620**	1,620	**(1,800)**	(2,235)	**–**	–
Total revenue	**78,934**	35,949	**963**	765	**–**	**17,842**	**1,620**	1,620	**(1,800)**	(2,235)	**79,717**	53,941
Result:	**531**	609	**(107)**	(257)	**326**	(226)	**1,666**	(148)	**(1,710)**	4,451	**706**	4,429
Depreciation & amortisation	**(418)**	(487)	**(70)**	(59)	**–**	–	**(1)**	(1)	**–**	–	**(489)**	(547)
Other non-cash (expense)/ income	**(35)**	(36)	**(40)**	82	**–**	–	**–**	–	**–**	–	**(75)**	46
Net impairment loss on financial assets	**–**	(70)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(70)
Finance costs	**(205)**	(281)	**(8)**	(9)	**–**	–	**–**	–	**–**	–	**(213)**	(290)
Interest income											**162**	132
Share of results of associates											**(16)**	(52)
Profit before tax											**75**	3,648
Income tax expense											**(52)**	(573)
Profit net of tax											**23**	3,075

4. Segment information (cont'd)

4.1 Business segments (cont'd)

Analysis by Business Segments	Trading		Manufacturing/ Design/ Research and Development		Marine Logistics		Corporate/Others		Elimination		Group	
	6 Months Ended											
S$'000	30.06.2026	30.06.2025	30.06.2026	30.06.2025	30.06.2026	30.06.2025	30.06.2026	30.06.2025	30.06.2026	30.06.2025	30.06.2026	30.06.2025
Assets:	**68,092**	73,785	**1,502**	1,750	**222**	124	**66,667**	67,347	**(55,269)**	(57,625)	**81,214**	85,381
Investment in associates	**–**	–	**–**	–	**–**	677	**2,063**	7,981	**–**	–	**2,063**	8,658
Unallocated assets											**20**	32
Total assets											**83,297**	94,071
Liabilities:	**(24,168)**	(29,242)	**(6,222)**	(6,054)	**(81,915)**	(81,421)	**(12,050)**	(12,007)	**107,021**	106,804	**(17,334)**	(21,920)
Unallocated liabilities											**(1,646)**	(2,176)
Total liabilities											**(18,980)**	(24,096)
Other segment information:												
Additions to non-current assets:												
- Property, plant and equipment	**11**	97	**32**	–	**–**	–	**–**	3	**–**	–	**43**	100
- Right-of-use assets	**–**	–	**28**	–	**–**	–	**–**	–	**–**	–	**28**	–

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		Non-current Assets	
	6 Months Ended			
	30.06.2026	30.06.2025	30.06.2026	30.06.2025
	S$'000	S$'000	S$'000	S$'000
Indonesia	2,382	249	31	6,545
Japan	5	–	2,063	2,220
People's Republic of China	28	699	–	–
Singapore	2,526	3,632	10,933	11,267
Thailand	4,801	11,842	–	–
United Kingdom	46	24	424	493
Vietnam	68,561	34,613	–	–
Others [(1)]	1,368	2,882	–	–
	79,717	**53,941**	**13,451**	**20,525**

Note:
(1) Others include countries such as Malaysia, Philippines and South Korea, etc.

5. Revenue

	Group 6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
<u>Point in time</u>		
Sale of products [(1)]	77,884	35,227
Provision of fire detection and protection service and maintenance	67	85
<u>Overtime</u>		
Charter income from vessel [(2)]	–	17,451
Rental of equipment [(3)]	450	–
Supply and installation of fire detection and protection systems products	1,200	1,108
Provision of fire detection and protection service and maintenance	116	70
	79,717	53,941

Notes:
(1) Sale of products include trading of flowline control products and fire detection and protection systems.

(2) Charter income from vessel includes sourcing of vessel for short duration onward chartering to customers on similar terms.

(3) Rental of equipment include sourcing of equipment for short duration onward rental to customers on similar terms.

6. Profit before tax

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

	Group	
	6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
Other income		
Dividend income from financial assets at FVOCI	527	657
Gain on disposal of:		
- a subsidiary	–	32
- property, plant and equipment	–	11
Interest income	162	82
Interest on trade overdue	–	50
Management fee income from an associate	45	49
Sundry income	157	259
	891	1,140
Other operating expenses		
(Allowance)/writeback of allowance for slow moving inventories	(79)	47
Bad debts recovered	4	1
Foreign currency exchange loss	(145)	(2,475)
Inventories written off	–	(2)
Loss on disposal of asset of disposal group classified as held for sale (Note 13)	(221)	–
	(441)	(2,429)
Selling and distribution costs		
Depreciation of property, plant and equipment	(26)	(27)
Administrative and general costs		
Amortisation of intangible assets	–	(68)
Depreciation of property, plant and equipment	(323)	(320)
Depreciation of right-of-use assets	(140)	(132)
Net impairment loss on financial assets		
Impairment loss on trade receivables	–	(76)
Write back of impairment loss on trade receivables	–	6
	–	(70)
Finance costs		
Interest expense on:		
- Bank overdrafts	–	(23)
- Term loans	–	(3)
- Trust receipts	(147)	(195)
- Lease liabilities	(66)	(69)
	(213)	(290)

7. Income tax expense

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 in the condensed interim consolidated income statement are:

	Group	
	6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
Current income tax		
- Current income taxation	63	473
- Overprovision in respect of previous year	(84)	–
- Withholding tax on dividend income	83	100
	62	573
Deferred income tax		
- Origination and reversal of temporary differences	(10)	–
Income tax expense recognised in income statement	52	573

8. Earnings per share

Basic earnings per share is calculated by dividing profit 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 30 June 2026 and 30 June 2025, diluted earnings per share is similar to basic earnings per share as there were no potential dilutive ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial period ended 30 June:

	Group	
	6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
Profit net of tax attributable to owners of the Company used in the computation of earnings per share	29	2,481
	Number of shares	
	'000	'000
Weighted average number of ordinary shares on issue (excluding treasury shares) for earnings per share computation	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	
	6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
Dividend income from associate	80	32
Depreciation of right-of-use assets attributable to associate	(19)	(31)
Rental and related expenses paid to associate	(1)	(1)
Secretarial and professional fee paid to director-related firms [1]	(4)	(4)
Settlement from associate for payment made on behalf	–	1
Repayments of amount due to a director of a subsidiary	(37)	–

Note:
(1) 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. There was no outstanding at the end of the current financial period (31 December 2025: S$Nil).

(b) Compensation of key management personnel ("KMP")

	Group	
	6 Months Ended	
	30.06.2026	30.06.2025
	S$'000	S$'000
Directors' fees	93	80
Short-term employee benefits	1,023	1,002
Defined contributions	43	40
Other short-term benefits	33	50
Total compensation paid to KMP	1,192	1,172
Comprise of amounts paid to:		
Directors of the Company	643	623
Other KMP	549	549
	1,192	1,172

10. Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired assets amounting to S$43,000 (30 June 2025: S$100,000) and disposed of assets amounting to net book value of S$Nil (30 June 2025: S$Nil).

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 properties' highest and best use by an external valuer using direct comparison with recent transactions of comparable properties within the vicinity at 31 December 2025. 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.

10.1 Revaluation of leasehold building (cont'd)

Management assessed and concluded that the fair value of the Group's leasehold building as at 30 June 2026 has not changed significantly since 31 December 2025. The fair value measurement is categorised under Level 3 of the fair value hierarchy.

The Group's leasehold building with carrying amount of S$8,944,000 (31 December 2025: S$9,200,000) is mortgaged to secure banking facilities and bank overdraft of the Group (Note 14).

11. Financial assets at FVOCI

	Group and Company		
	Quoted equity shares	**Unquoted equity shares**	**Total**
	S$'000	**S$'000**	**S$'000**
For 6 months ended 30 June 2026			
Opening carrying amount at 1 January 2026	8,763	1,348	10,111
Additions	8,349	–	8,349
Fair value loss recognised in other comprehensive income	(7,108)	–	(7,108)
Closing carrying amount at 30 June 2026	10,004	1,348	11,352

The investments represent investment in quoted equity shares in PT Superkrane Mitra Utama Tbk. ("**SK**"), which is incorporated in Indonesia and unquoted equity shares in SRE Holdings Investment and Development Joint Stock Company ("**SRE**"), which is incorporated in Vietnam. It is the Group's strategy to hold these investments, which are not held for trading, for long-term purposes. Accordingly, management has elected to designate these investments in quoted and unquoted equity shares at fair value through other comprehensive income ("**FVOCI**").

On 5 December 2025, the Company entered into a binding term sheet with Pak Yafin Tandiono Tan ("**Pak Yafin**") for the disposal of its entire 30% equity interest in PT Gunanusa Utama Fabricators ("**PTG**") to Pak Yafin and a final and full settlement of amounts due from PTG to the Group (refer to the Company's announcement dated 9 December 2025: Entry into Term Sheet for Disposal of Interest in PTG).

During the six months ended 30 June 2026, as part of the consideration pursuant to the binding term sheet, the Company received a transfer of 200 million quoted shares of SK from Pak Yafin at its fair value of S$8,349,000 (at IDR 550 or S$0.041745 per share) based on the SK's quoted market price at completion.

The fair value of the quoted equity shares was determined based on quoted market price of SK as at 30 June 2026, categorised under Level 1 fair value hierarchy. During the six months ended 30 June 2026, a fair value loss of S$7,108,000 (30 June 2025: fair value gain of S$1,457,000) was recognised in other comprehensive income by reference to the fair value of quoted equity shares.

The fair value of the unquoted equity shares was determined based on the subscription price of the shares in SRE by the Company in August 2025, which was the latest transacted price of shares in SRE. Management assessed and concluded that the fair value of the unquoted equity shares as at 30 June 2026 has not changed significantly since 31 December 2025. The fair value measurement is categorised under Level 2 fair value hierarchy.

12. Trade receivables

The Group's credit risk exposure in relation to trade receivables from third parties under SFRS(I) 9 *Financial Instruments* as at 30 June 2026 and 31 December 2025 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	
30 June 2026					
Current (not past due)	–	3,514	–	3,514	
1 – 120 days past due	–	3,309	–	3,309	
More than 120 days past due	0.7	7,772	(58)	7,714	(1)
		14,595	(58)	14,537	
31 December 2025					
Current (not past due)	–	15,129	–	15,129	
1 – 120 days past due	–	11,027	–	11,027	
More than 120 days past due	4.0	5,784	(232)	5,552	
		31,940	(232)	31,708	

Note:
(1) Included in the net carrying amount that was more than 120 days past due as at 30 June 2026 was retention amount of S$3.3 million (31 December 2025: S$2.4 million) from customers in accordance with contract terms. These retention money are expected to be paid upon completion of final documentations.

13. Assets of disposal group classified as held for sale
Reserves of disposal group classified as held for sale

On 5 December 2025, the Company entered into a binding term sheet with Pak Yafin for the disposal of its entire 30% equity interest in PTG to Pak Yafin and a final and full settlement of amounts due from PTG to the Group (refer to the Company's announcement dated 9 December 2025: Entry into Term Sheet for Disposal of Interest in PTG). The Company had obtained its shareholders approval in April 2026 and the disposal of PTG was completed during the six months ended 30 June 2026.

As at 31 December 2025, the disposal group comprised the following assets and reserves:

	Note	Group 31.12.2025 S$'000	Company 31.12.2025 S$'000
Assets of disposal group classified as held for sale			
Investment in associate – PTG		4,864	2,813
Amounts due from associate – PTG			
– Trade receivables		15,111	–
– Non-trade receivables		1,938	170
		21,913	2,983
Reserves of disposal group classified as held for sale			
Foreign currency translation reserve		144	–
Other reserve	(a)	296	296
		440	296

Notes:
(a) As at 31 December 2025, included in "Other reserve" was the fair value reserve of S$296,000 relating to the cumulative net change in fair value of equity investment in PTG, which was previously designated as financial assets at FVOCI, before PTG became an associated company of the Group in financial year 2023. The fair value reserve of S$296,000 was transferred directly to accumulated losses upon the completion of disposal.

13. Assets of disposal group classified as held for sale (cont'd) Reserves of disposal group classified as held for sale (cont'd)

During the six months ended 30 June 2026, the effect of the disposal of PTG on the financial position of the Group was as follows:

	Group
	30.06.2026
	S$'000
Consideration received [1]	21,883
Assets of disposal group classified as held for sale derecognised:	
– Investment in associate – PTG	(4,879)
– Amounts due from associate – PTG	(17,096)
Cumulative foreign currency translation on loss of control of PTG	(129)
Loss on disposal (Note 6)	(221)

Notes:
(1) The consideration comprises cash consideration received in advance as at 31 December 2025 amounting to US$10,500,000 (or S$13,534,000) and a transfer of 200 million quoted shares of SK from Pak Yafin at its fair value of S$8,349,000 (at IDR 550 or S$0.041745 per share) based on the SK's quoted market price at completion.

14. Amounts due to banks

	Group	
	30.06.2026	31.12.2025
	S$'000	S$'000
Aggregate amounts of Group's borrowings		
Amounts due to banks		
Amount repayable within one year or less, or on demand		
Trust receipts, secured	786	10,324

14.1 Securities

The Group's bank overdraft and trust receipts are secured on:
(i) legal mortgage on the Group's leasehold building (Note 10);
(ii) corporate guarantee by the Company;
(iii) bank balances and deposits pledged by subsidiaries;
(iv) assignment of certain receivables and goods of a subsidiary; and
(v) fixed charge over proceeds account of a subsidiary.

15. Share capital
Treasury shares

	Group and Company			
	30.06.2026		31.12.2025	
	Number of shares	Amount	Number of shares	Amount
	'000	S$'000	'000	S$'000
Share capital				
Issued and fully paid ordinary shares				
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 6 months ended 30 June 2026.

The Company did not have any convertible securities as at 30 June 2026 (30 June 2025: Nil).

There was a total of 100,000 treasury shares held as at 30 June 2026 (30 June 2025: 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 30 June 2026 (30 June 2025: Nil). There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

16. Fair value measurement

16.1 Fair value hierarchy

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)

16. Fair value measurement (cont'd)

16.1 Fair value hierarchy (cont'd)

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

	Level 1	Level 2	Level 3	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**
30 June 2026				
Group				
Recurring fair value measurements				
Non-financial assets				
Property, plant and equipment				
- leasehold building	–	–	8,944	8,944
Financial assets at FVOCI				
Quoted equity shares	10,004	–	–	10,004
Unquoted equity shares	–	1,348	–	1,348
	10,004	1,348	–	11,352
Company				
Recurring fair value measurements				
Financial assets at FVOCI				
Quoted equity shares	10,004	–	–	10,004
Unquoted equity shares	–	1,348	–	1,348
	10,004	1,348	–	11,352
31 December 2025				
Group				
Recurring fair value measurements				
Non-financial assets				
Property, plant and equipment				
- leasehold building	–	–	9,200	9,200
Financial assets at FVOCI				
Quoted equity shares	8,763	–	–	8,763
Unquoted equity shares	–	1,348	–	1,348
	8,763	1,348	–	10,111
Non-recurring fair value measurements				
Assets of disposal group classified as held for sale				
Investment in associate - PTG	4,864	–	–	4,864
Company				
Recurring fair value measurements				
Financial assets at FVOCI				
Quoted equity shares	8,763	–	–	8,763
Unquoted equity shares	–	1,348	–	1,348
	8,763	1,348	–	10,111

17. 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 30 June 2026 and 31 December 2025:

	Group		Company	
	30.06.2026	**31.12.2025**	**30.06.2026**	**31.12.2025**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Financial assets				
At FVOCI	11,352	10,111	11,352	10,111
At amortised cost	45,046	94,970	1,840	20,376
	56,398	105,081	13,192	30,487
Financial liabilities				
At amortised cost	12,375	44,826	319	825

18. Net asset value

	Group		Company	
	30.06.2026	**31.12.2025**	**30.06.2026**	**31.12.2025**
	cents	**cents**	**cents**	**cents**
Net asset value per ordinary share	45.75	51.59	47.48	51.82

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 30 June 2026 (31 December 2025: 140,667,484).

19. Subsequent events

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

As disclosed in the Company's FY2025's annual report, a subsidiary of the Group ("the subsidiary") filed a Notice of Appeal on 26 January 2026 against the Court's finding of responsiblity in relation to a claim from a customer against the subsidiary for alleged damage to the customer's equipment arising from services provided by the subsidiary.

The outcome of the appeal in May 2026 was unsuccessful and the subsidiary will proceed to a subsequent assessment of damages ("AD") hearing, at which the State Court will determine:

(i) whether the accident caused the alleged damage to the customer's equipment, and
(ii) the amount of any compensation payable by the subsidiary, if any.

Given the pending outcome of the AD proceedings, no provision is recognised in this set of interim financial statements.

1. Review

The condensed consolidated statements of financial position of Federal International (2000) Ltd and its subsidiaries as at 30 June 2026 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.

<u>CONSOLIDATED INCOME STATEMENT</u>

<u>First half ended 30 June 2026 ("1H2026") versus 30 June 2025 ("1H2025")</u>

Revenue
Group revenue were mainly contributed by the distribution of flowline control products and fire detection and protection systems businesses. Overall revenue rose 47.8% to S$79.7 million in 1H2026 mainly attributable to higher revenue from Trading business in Vietnam and Indonesia, partially offset by absence of charter income from vessel of S$17.5 million and lower revenue from Trading business in Thailand in 1H2026.

Gross profit
Gross profit decreased by S$5.4 million to S$6.3 million in 1H2026 despite an increase in revenue. This was attributable to a lower gross profit margin at 7.9% (1H2025: 21.7%) due to a different sales mix in 1H2026 where high volume trade earns significantly lower margins.

Other income
Other income of S$891,000 was lower than 1H2025 of S$1.1 million mainly due to lower dividend income from SK in 1H2026.

Selling and distribution costs
Selling and distribution costs decreased marginally from S$2.6 million in 1H2025 to S$2.5 million despite higher revenue in 1H2026.

Administrative and general costs
Administrative and general costs rose 3.3% to S$3.9 million in 1H2026, mainly due to higher bank charges incurred in relation to trade finance facilities.

CONSOLIDATED INCOME STATEMENT (cont'd)

1H2026 versus 1H2025 (cont'd)

Other operating expenses
Other operating expenses of S$441,000 in 1H2026 mainly comprise loss on disposal of asset of disposal group classified as held for sale of S$221,000 and foreign currency exchange loss of S$145,000, whereas in 1H2025, other operating expenses mainly consisted of foreign currency exchange loss of S$2.5 million.

Finance costs
Finance costs of S$213,000 was lower than the costs of S$290,000 in 1H2025 mainly due to lower interest expenses on trust receipts and bank overdrafts.

Share of results of associates
Share of associates' loss of S$16,000 in 1H2026 related to share of loss from KVC Co. Ltd during the period.

Income tax expense
The Group recorded a lower income tax expense at S$52,000 in 1H2026 (1H2025: S$573,000) because of lower provision of current income tax during the period.

STATEMENT OF FINANCIAL POSITION FOR THE GROUP

Equity attributable to owners of the Company
As at 30 June 2026, equity attributable to owners of the Company amounted to S$64.4 million, which translated to a net asset value per ordinary share of 45.75 Singapore cents.

Non-current assets
Non-current assets increased by S$1.5 million to S$26.1 million (31 December 2025: S$24.6 million) mainly due to: -

a) higher financial assets at FVOCI of S$1.3 million due to additional investment in SK of S$8.3 million, partially offset by fair value loss of S$7.1 million; and
b) increase in other receivables of S$835,000 relating to funds placed with banks for trade finance facilities.

The above increase was partially offset by: -
c) decrease in property, plant and equipment of S$308,000 and right-of-use assets of S$117,000 as a result of depreciation charges during the period; and
d) lower investment in associates of S$161,000 largely attributable to foreign currency translation loss of S$66,000 and dividend received from associate of S$80,000 during the period.

Current assets
Current assets decreased by S$52.8 million to S$57.2 million (31 December 2025: S$110.0 million) mainly due to: -

a) derecognition of assets of disposal group classified as held for sale amounting to S$21.9 million after the completion of disposal of PTG during the period;
b) net collections of trade receivables of S$17.2 million;
c) decrease in cash and bank balances and fixed and bank deposits totalling S$16.5 million;
d) drop in inventories of S$324,000 due to delivery of goods to customers; and
e) decrease in other receivables of S$308,000.

The above decrease was partially offset by higher advance payment to suppliers in relation to on-going projects of S$3.4 million.

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

Current liabilities
Current liabilities decreased by S$42.9 million to S$15.5 million (31 December 2025: S$58.4 million) mainly due to: -

a) net payments of trade payables of S$22.4 million;
b) lower other payables of S$13.9 million with the settlement of advance consideration received from Pak Yafin of S$13.5 million after the completion of disposal of PTG and lower accruals of expenses;
c) decrease in amounts due to banks of S$9.5 million relating to net repayments of trust receipts; and
d) lower provision for taxation of S$438,000 relating to corporate income tax payments.

The above decrease was partially offset by higher contract liabilities (advance consideration received from customers) in relation to on-going projects of S$3.3 million.

Non-current liabilities
Non-current liabilities decreased by S$108,000 to S$3.5 million (31 December 2025: S$3.6 million) mainly due to repayment of lease liabilities.

STATEMENT OF FINANCIAL POSITION FOR THE COMPANY

Non-current assets
Non-current assets rose by S$1.3 million to S$65.8 million (31 December 2025: S$64.5 million) because of higher financial assets at FVOCI as a result of additional investment in SK of S$8.3 million, partially offset by fair value loss of S$7.1 million.

Current assets
Current assets decreased by S$21.4 million to S$1.6 million (31 December 2025: S$23.0 million) mainly attributable to: -

a) decrease in cash and bank balances and fixed and bank deposits totalling S$13.7 million;
b) lower amounts due from subsidiaries of S$4.7 million mainly due to settlement of dividend receivable from a subsidiary; and
c) derecognition of assets of disposal group classified as held for sale amounting to S$3.0 million after the completion of disposal of PTG during the period.

Current liabilities
Current liabilities decreased by S$14.0 million to S$497,000 (31 December 2025: S$14.5 million) due to lower other payables with the settlement of advance consideration received from Pak Yafin of S$13.5 million after the completion of disposal of PTG and lower accruals of expenses.

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 30 June 2026, the Group's cash and cash equivalents amounted to S$20.9 million. Overall, the Group's cash and cash equivalents dropped by S$16.4 million in 1H2026.

The net cash of S$5.9 million used in operating activities mainly arose from changes in working capital, such as decrease in trade and other payables of S$22.5 million and increase in advance payment to suppliers of S$3.4 million, partially offset by decrease in trade and other receivables of S$18.0 million and increase in contract liabilities of S$2.0 million.

The net cash of S$768,000 generated from investing activities mainly related to receipt of net dividend income of S$523,000 and interest income of S$288,000.

The net cash of S$11.3 million used in financing activities was mainly due to net repayment of trust receipts of S$9.3 million, dividend paid of S$1.4 million and interest paid of S$312,000.

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.

In 1H2026, the trading businesses registered higher revenue due to the Group's secured order and delivery of structural steel which earns lower margins relative to other flowline control products and fire suppression systems. The sales mix is dependent on the customer demand and delivery schedules, which in turn will affect the performance of the Group for 2H2026.

Although activity in the oil and gas segment, particularly in Vietnam, remains resilient, rising geopolitical tensions and changes in trade policies may affect the Group's trading business. These challenges include higher material and shipping costs, as well as US dollar fluctuations, since a sizable part of the Group's revenue and related material costs are denominated in US dollars.

The Group remains vigilant in pursuing suitable opportunities to enhance its performance.

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 ("IPT")

The Company does not have a shareholders' mandate for IPTs.

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.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six-month period ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Koh Kian Kiong
Executive Chairman & CEO

Maggie Koh
Executive Director

Singapore
13 August 2026