



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

**Unaudited Results For The Fourth Quarter and
Twelve Months Ended 31 December 2017**

25 February 2018

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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Incorporated in the Republic of Singapore
Company Registration No. 199907113K

Unaudited Results For The Fourth Quarter And Twelve Months Ended 31 December 2017

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

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

UNAUDITED RESULTS FOR THE FOURTH QUARTER ("4Q2017") AND PERIOD ENDED 31 DEC 2017

		Group			Group		
		3 Months Ended		Changes	12 Months Ended		Changes
		31.12.17	31.12.16		31.12.17	31.12.16	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
INCOME STATEMENT							
Revenue		22,390	21,452	4.4	129,958	89,481	45.2
Cost of sales		(17,081)	(18,005)	(5.1)	(107,785)	(71,692)	50.3
Gross profit		5,309	3,447	54.0	22,173	17,789	24.6
Gross profit margin		23.7%	16.1%		17.1%	19.9%	
Other income	(i)	1,163	6,169	(81.1)	3,011	10,398	(71.0)
Selling and distribution costs		(1,237)	(1,432)	(13.6)	(5,156)	(7,159)	(28.0)
Administrative and general costs		(4,722)	(4,603)	2.6	(13,541)	(13,959)	(3.0)
Other operating income / (expenses)	(ii)	1,327	(1,241)	N.M.	(475)	(924)	(48.6)
Finance costs	(iii)	(361)	(239)	51.0	(1,118)	(660)	69.4
Share of results of associates		30	21	42.9	474	1,598	(70.3)
Profit before tax	(iv)	1,509	2,122	(28.9)	5,368	7,083	(24.2)
Income tax (expense) / credit		(354)	1,333	N.M.	(1,447)	182	N.M.
Profit for the period/year		1,155	3,455	(66.6)	3,921	7,265	(46.0)
Attributable to:							
Owners of the Company		1,147	3,694	(68.9)	4,232	7,257	(41.7)
Non-controlling interests		8	(239)	N.M.	(311)	8	N.M.
		1,155	3,455	(66.6)	3,921	7,265	(46.0)

N.M. – Not Meaningful

	Group			Group		
	3 Months Ended		Changes	12 Months Ended		Changes
	31.12.17	31.12.16		31.12.17	31.12.16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
STATEMENT OF COMPREHENSIVE INCOME						
Profit net of tax	1,155	3,455	(66.6)	3,921	7,265	(46.0)
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss						
Net surplus/(deficit) on revaluation of freehold/leasehold land and buildings	613	(225)	N.M.	613	(137)	N.M.
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation	(206)	(134)	53.7	(895)	240	N.M.
Foreign currency translation on loss of control or significant influence reclassified to profit and loss	–	1,130	(100.0)	408	1,130	(63.9)
Other comprehensive income for the period/year, net of tax	407	771	(47.2)	126	1,233	(89.8)
Total comprehensive income for the period/year	1,562	4,226	(63.0)	4,047	8,498	(52.4)
Total comprehensive income attributable to:						
Owners of the Company	1,639	4,189	(60.9)	4,560	8,351	(45.4)
Non-controlling interests	(77)	37	N.M.	(513)	147	N.M.
	1,562	4,226	(63.0)	4,047	8,498	(52.4)

N.M. – Not Meaningful

Notes:

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

	3 Months Ended		12 Months Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Share of profits from partnership	–	–	143	184
Foreign exchange gain	–	1,649	–	1,203
Gain on disposal of property, plant and equipment	–	19	8	32
Gain on disposal of available-for-sale financial Asset	–	1,259	–	1,259
Implicit interest income	1	1	3	5
Interest income	795	191	1,887	453
Interest income from a related party	–	–	–	158
Forfeiture of partial proceeds for disposal of an associate	–	–	–	713
Service fees	–	2,934	–	5,920
Sundry income	367	116	970	471
	1,163	6,169	3,011	10,398

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

	3 Months Ended		12 Months Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for slow moving inventories	445	319	733	905
Bad debts (recovered)/written off	(34)	24	(44)	24
Foreign exchange loss	667	–	1,913	–
Impairment loss on amount due from associates	–	16	17	59
Impairment loss on doubtful receivables	1,727	41	1,727	215
Impairment loss on property, plant and equipment	–	1,000	–	1,000
Inventories written off	13	4	23	74
Loss on disposal of property, plant and equipment	34	–	34	–
Loss on disposal of a subsidiary	–	–	292	–
Loss on lost of significant influence in an associate	–	592	–	592
Write back of impairment loss on doubtful receivables	(2)	(33)	(54)	(1,450)
Write back of provision for legal claim	(423)	–	(423)	–
Reversal of accruals and provisions for vessel disposed	(3,780)	(296)	(3,780)	(433)
Other expenses/(income)	26	(426)	37	(62)
	(1,327)	1,241	475	924

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

	3 Months Ended		12 Months Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on:				
- Bank overdrafts	22	44	105	116
- Term loans	150	117	402	342
- Trust receipts	189	78	611	202
	361	239	1,118	660

1(a)(iv) Profit before tax is arrived at after charging the following:

	3 Months Ended		12 Months Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation and amortisation	523	688	2,090	2,266

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

	Group		Company	
	As At 31.12.17	As At 31.12.16	As At 31.12.17	As At 31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	32,434	33,426	–	2
Investment in subsidiaries	–	–	75,345	76,558
Investment in associates	4,748	4,611	732	732
Intangible assets	1,786	1,923	–	–
Other investments	558	558	538	538
Other receivables	13,094	13,092	13,022	13,022
Amount due from a related party	6,203	6,714	–	–
Amounts due from subsidiaries	–	–	4,588	4,966
Amount due from an associate	4,588	4,966	–	–
Financial receivable	–	816	–	–
Deferred tax assets	665	626	–	–
	64,076	66,732	94,225	95,818
Current assets				
Inventories	12,796	15,012	–	–
Trade and other receivables	50,706	38,077	18	58
Gross amount due from customer for construction work-in-progress	104	1	–	–
Advance payment to suppliers	1,740	2,997	–	–
Prepayments	317	338	15	16
Deposits	62	80	10	8
Financial receivable	707	552	–	–
Amounts due from subsidiaries	–	–	7,026	7,161
Amounts due from associates	3,263	3,695	49	50
Fixed and bank deposits	1,422	1,517	1,389	1,484
Cash and bank balances	10,704	15,502	599	197
	81,821	77,771	9,106	8,974
Current liabilities				
Trade and other payables	23,416	27,719	1,081	944
Provisions	–	4,911	–	–
Advance payment from customers	1,841	3,115	–	–
Amounts due to subsidiaries	–	–	1,217	1,276
Amounts due to associates	1,216	202	243	192
Amount due to a related party	2,009	2,034	–	–
Amounts due to bankers	19,311	22,170	–	–
Term loans	7,438	5,001	–	–
Provision for taxation	3,570	3,206	1	11
	58,801	68,358	2,542	2,423
Net current assets	23,020	9,413	6,564	6,551
Non-current liabilities				
Term loans	9,742	–	–	–
Amounts due to subsidiaries	–	–	21,335	23,093
Provision for post employment benefits	192	115	–	–
Deferred tax liabilities	2,367	2,041	–	–
	12,301	2,156	21,335	23,093
Net assets	74,795	73,989	79,454	79,276

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

	Group		Company	
	As At 31.12.17	As At 31.12.16	As At 31.12.17	As At 31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Equity attributable to owners of the Company				
Share capital	144,099	144,099	144,099	144,099
Foreign currency translation reserve	(4,860)	(4,575)	-	-
Capital reserve	5	5	-	-
Revaluation reserve	17,073	16,460	-	-
Other reserves	(976)	(976)	-	-
Accumulated losses	(67,889)	(69,306)	(64,645)	(64,823)
	87,452	85,707	79,454	79,276
Non-controlling interests	(12,657)	(11,718)	-	-
Total equity	74,795	73,989	79,454	79,276

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

Amount repayable in one year or less, or on demand

As at 31.12.17 S\$'000		As at 31.12.16 S\$'000	
Secured	Unsecured	Secured	Unsecured
26,749	-	27,171	-

Amount repayable after one year

As at 31.12.17 S\$'000		As at 31.12.16 S\$'000	
Secured	Unsecured	Secured	Unsecured
9,742	-	-	-

Details of any collaterals

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

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

- (i) Subsidiaries' properties located at 47 and 49 Genting Road, Singapore 349489, at 11 Tuas Avenue 1, Singapore 639496, and at 12 Chin Bee Drive, Singapore 619868;
- (ii) Bank deposits pledged by the Company;
- (iii) Corporate guarantee by the Company;
- (iv) Personal guarantee by a director of a subsidiary;
- (v) Subsidiary's inventories;
- (vi) Deed of charge over the contract proceeds & first fixed charge over account in respect of certain sales proceeds; and
- (vii) First floating charge over receivables of a subsidiary.

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

	Group		Group	
	For 3 Months Ended		For 12 Months Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit before tax	1,509	2,122	5,368	7,083
<u>Adjustments for:</u>				
Amortisation of intangible assets	34	136	136	136
Depreciation of property, plant and equipment	489	552	1,954	2,130
Loss/(Gain) on disposal of property, plant and equipment	34	(19)	26	(32)
Gain on disposal of available-for-sale financial asset	–	(1,259)	–	(1,259)
Loss on lost of significant influence in an associate	–	592	–	592
Impairment loss on amount due from associates	–	16	17	59
Impairment loss on property, plant and equipment	–	1,000	–	1,000
Implicit interest income	(1)	(1)	(3)	(5)
Interest expense	361	239	1,118	660
Interest income	(795)	(191)	(1,887)	(611)
Loss on disposal of a subsidiary (Note A)	–	–	292	–
Share of results of associates	(30)	(21)	(474)	(1,598)
Write back of impairment loss on doubtful other receivables	–	–	–	(1,400)
Forfeiture of partial proceeds for disposal of an associate	–	–	–	(713)
Exchange gain	(149)	(422)	(1,170)	(283)
Operating cash flows before changes in working capital	1,452	2,744	5,377	5,759
<u>(Increase)/decrease in:</u>				
Inventories	2,198	869	2,238	2,390
Trade and other receivables	18,592	(23,340)	(13,369)	(22,664)
Gross amount due from customer for construction work-in-progress	(40)	279	(103)	9
Financial receivable	213	214	638	662
Advance payment to suppliers	1,994	(1,628)	1,222	(1,584)
Prepayments	87	141	16	(66)
Deposits	7	85	16	70
Amounts due from associates	(2)	28,116	257	3,791
<u>(Decrease)/increase in:</u>				
Trade and other payables	(4,882)	(811)	(3,771)	4,905
Gross amount due to customer for construction work-in-progress	–	–	–	(4)
Advance payment from customers	784	(76)	569	232
Advance payment from associates	–	(105)	–	(1,198)
Amounts due to associates	(4)	184	51	184
Amount due to a related party	(20)	31	3	(36)
Provisions	(3,020)	–	(3,641)	–
Provision for post employment benefits	85	33	77	47
Cash flows generated from / (used in) operations	17,444	6,736	(10,420)	(7,503)
Income tax paid	(145)	(118)	(1,008)	(3,681)
Net cash generated from / (used in) operating activities	17,299	6,618	(11,428)	(11,184)

	Group		Group	
	For 3 Months Ended		For 12 Months Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities:				
Interest income received	52	38	825	134
Dividend received from an associate	–	–	29	31
Shareholder's loans to an associate (net)	–	(1,037)	(118)	(5,425)
Proceeds from disposal of property, plant and equipment	1	24	9	46
Proceeds from disposal of other investment	–	2,659	–	2,659
Payments made to suppliers for conversion of a vessel	–	(250)	–	(655)
Additions to intangible assets	–	1	–	(695)
Purchase of property, plant and equipment	(695)	(69)	(811)	(314)
Net cash flows (used in) / generated from investing activities	(642)	1,366	(66)	(4,219)
Cash flows from financing activities:				
Dividend paid	–	–	(2,815)	(2,111)
Interest expense paid	(353)	(222)	(1,057)	(626)
Proceeds from/(repayment of) secured bank overdrafts	(1,856)	44	(2,902)	2,799
Decrease in pledged deposits	–	3,195	3	3,195
Drawdown of term loans	8,626	392	14,671	7,770
Repayment of term loans	(821)	(5,560)	(2,510)	(9,397)
Capital contribution from non-controlling interest of a subsidiary company	6	–	6	–
(Decrease) / Increase in trust receipts	(17,739)	3,263	2,190	13,207
Net cash flows (used in) / generated from financing activities	(12,137)	1,112	7,586	14,837
Net increase / (decrease) in cash and cash equivalents	4,520	9,096	(3,908)	(566)
Effect of exchange rate changes on cash and cash equivalents	(211)	674	(872)	284
Cash and cash equivalents at beginning of period	6,480	5,799	15,569	15,851
Cash and cash equivalents at end of the period/year	10,789	15,569	10,789	15,569

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

	Group	
	For 12 Months Ended	
	31.12.17	31.12.16
	S\$'000	S\$'000
Cash and cash equivalents at the end of the year:		
Cash and bank balances and fixed deposits	12,126	17,019
Less: Bank deposits pledged	(1,337)	(1,450)
Cash and cash equivalents	10,789	15,569

Note A

The Members' Voluntary Liquidation of a dormant subsidiary, GV Oilfield Engineering Private Limited, has been completed (Please refer to announcement on 17 April 2017). The effect of the disposal on the financial position of the Group is as follows:

Effect of disposal on the financial position of the Group

	Group 2017 \$'000
Asset:	
Other receivables	81
	<u>81</u>
Liabilities:	
Other payables	(1)
Provision for taxation	(1)
	<u>(2)</u>
Net assets derecognised	<u>79</u>
Consideration received, satisfies in cash	–
Cash and cash equivalents disposed of	–
Net cash outflow	<u>–</u>
Loss on disposal:	
Consideration received	–
Net assets derecognised	(79)
Cumulative foreign currency exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	(408)
	<u>(487)</u>
Non-controlling interest	195
	<u>(292)</u>

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

GROUP	← Attributable to owners of the Company →							Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Total reserves S\$'000			
Balance at 01.01.17	144,099	(69,306)	(4,575)	5	16,460	(976)	(58,392)	85,707	(11,718)	73,989
Profit net of tax	–	410	–	–	–	–	410	410	(129)	281
Other comprehensive income:										
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	(13)	–	–	–	(13)	(13)	(122)	(135)
Total comprehensive income / (loss) for the period	–	410	(13)	–	–	–	397	397	(251)	146
Balance at 31.03.17	144,099	(68,896)	(4,588)	5	16,460	(976)	(57,995)	86,104	(11,969)	74,135
Profit net of tax	–	1,222	–	–	–	–	1,222	1,222	(59)	1,163
Other comprehensive income:										
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	(164)	–	–	–	(164)	(164)	(81)	(245)
Foreign currency translation on loss of control reclassified to profit and loss	–	–	245	–	–	–	245	245	163	408
Total comprehensive income / (loss) for the period	–	1,222	81	–	–	–	1,303	1,303	23	1,326
Dividend paid	–	(2,815)	–	–	–	–	(2,815)	(2,815)	–	(2,815)
Disposal of a subsidiary company	–	–	–	–	–	–	–	–	(195)	(195)
Balance at 30.06.17	144,099	(70,489)	(4,507)	5	16,460	(976)	(59,507)	84,592	(12,141)	72,451

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

GROUP	← Attributable to owners of the Company →							Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Total reserves S\$'000			
Balance at 30.06.17	144,099	(70,489)	(4,507)	5	16,460	(976)	(59,507)	84,592	(12,141)	72,451
Profit net of tax	–	1,453	–	–	–	–	1,453	1,453	(131)	1,322
Other comprehensive income:										
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	(232)	–	–	–	(232)	(232)	(77)	(309)
Total comprehensive income/(loss) for the period	–	1,453	(232)	–	–	–	1,221	1,221	(208)	1,013
Dividend paid to non-controlling interest	–	–	–	–	–	–	–	–	(237)	(237)
Balance at 30.09.17	144,099	(69,036)	(4,739)	5	16,460	(976)	(58,286)	85,813	(12,586)	73,227
Profit net of tax	–	1,147	–	–	–	–	1,147	1,147	8	1,155
Other comprehensive income:										
Items that will not be reclassified subsequently to profit and loss:										
Net surplus on revaluation of freehold/ leasehold land and buildings	–	–	–	–	613	–	613	613	–	613
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	(121)	–	–	–	(121)	(121)	(85)	(206)
Total comprehensive income/(loss) for the period	–	1,147	(121)	–	613	–	1,639	1,639	(77)	1,562
<u>Change in ownership interests in a subsidiary</u>										
Capital contribution by non-controlling interest in a subsidiary company	–	–	–	–	–	–	–	–	6	6
Total transactions with owners in their capacity as owners	–	–	–	–	–	–	–	–	6	6
Balance at 31.12.17	144,099	(67,889)	(4,860)	5	17,073	(976)	(56,647)	87,452	(12,657)	74,795

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

GROUP	← Attributable to owners of the Company →							Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Total reserves S\$'000			
Balance at 01.01.16	144,099	(85,650)	(5,806)	2,778	25,023	(977)	(64,632)	79,467	(11,865)	67,602
Profit net of tax	–	1,324	–	–	–	–	1,324	1,324	377	1,701
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss:										
Net surplus on revaluation of freehold/ leasehold land and buildings	–	–	–	–	88	–	88	88	–	88
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	(214)	–	–	–	(214)	(214)	(188)	(402)
Total comprehensive income / (loss) for the Period	–	1,324	(214)	–	88	–	1,198	1,198	189	1,387
Balance at 31.03.16	144,099	(84,326)	(6,020)	2,778	25,111	(977)	(63,434)	80,665	(11,676)	68,989
Profit net of tax	–	1,109	–	–	–	–	1,109	1,109	(8)	1,101
Other comprehensive income: Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	273	–	–	–	273	273	7	280
Total comprehensive income / (loss) for the Period	–	1,109	273	–	–	–	1,382	1,382	(1)	1,381
Dividend paid	–	(2,111)	–	–	–	–	(2,111)	(2,111)	–	(2,111)
Balance at 30.06.16	144,099	(85,328)	(5,747)	2,778	25,111	(977)	(64,163)	79,936	(11,677)	68,259

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

GROUP	← Attributable to owners of the Company →						Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000	
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000				Total reserves S\$'000
Balance at 30.06.16	144,099	(85,328)	(5,747)	2,778	25,111	(977)	(64,163)	79,936	(11,677)	68,259
Profit net of tax	–	1,130	–	–	–	–	1,130	1,130	(122)	1,008
Other comprehensive income: Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	452	–	–	–	452	452	44	496
Total comprehensive income/(loss) for the Period	–	1,130	452	–	–	–	1,582	1,582	(78)	1,504
Balance at 30.09.16	144,099	(84,198)	(5,295)	2,778	25,111	(977)	(62,581)	81,518	(11,755)	69,763
Profit net of tax	–	3,694	–	–	–	–	3,694	3,694	(239)	3,455
Other comprehensive income: Items that will not be reclassified subsequently to profit or loss:										
Net deficit on revaluation of freehold/ leasehold land and buildings	–	–	–	–	(225)	–	(225)	(225)	–	(225)
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	–	–	720	–	–	–	720	720	276	996
Total comprehensive income/(loss) for the Period	–	3,694	720	–	(225)	–	4,189	4,189	37	4,226
Transfer from accumulated losses to statutory Reserve	–	(1)	–	–	–	1	–	–	–	–
Transfer from revaluation reserve and capital reserve to accumulated losses	–	11,199	–	(2,773)	(8,426)	–	–	–	–	–
Balance at 31.12.16	144,099	(69,306)	(4,575)	5	16,460	(976)	(58,392)	85,707	(11,718)	73,989

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

The Company	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 01.01.17	144,099	(64,823)	79,276
Profit for the period	–	515	515
Total comprehensive income for the period	–	515	515
Balance at 31.03.17	144,099	(64,308)	79,791
Profit for the period	–	962	962
Total comprehensive income for the period	–	962	962
Dividend paid	–	(2,815)	(2,815)
Balance at 30.06.17	144,099	(66,161)	77,938
Profit for the period	–	512	512
Total comprehensive income for the period	–	512	512
Balance at 30.09.17	144,099	(65,649)	78,450
Profit for the period	–	1,004	1,004
Total comprehensive income for the period	–	1,004	1,004
Balance at 31.12.17	144,099	(64,645)	79,454

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

The Company	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 01.01.16	144,099	(66,412)	77,687
Profit for the period	–	1,001	1,001
Total comprehensive income for the period	–	1,001	1,001
Balance at 31.03.16	144,099	(65,411)	78,688
Profit for the period	–	82	82
Total comprehensive income for the period	–	82	82
Dividend paid	–	(2,111)	(2,111)
Balance at 30.06.16	144,099	(67,440)	76,659
Profit for the period	–	191	191
Total comprehensive income for the period	–	191	191
Balance at 30.09.16	144,099	(67,249)	76,850
Profit for the period	–	2,426	2,426
Total comprehensive profit for the period	–	2,426	2,426
Balance at 31.12.16	144,099	(64,823)	79,276

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

The Company did not issue any ordinary shares during the 12 months ended 31 December 2017.

As at 31 December 2017 and 31 December 2016 respectively, the Company did not have any convertible securities.

As at 31 December 2017 and 31 December 2016 respectively, there were no treasury shares held and subsidiary holdings.

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

	31.12.17	31.12.16
Total number of issued shares (excluding treasury shares)	140,767,484	140,767,484

As at 31 December 2017 and 31 December 2016 respectively, there were no treasury shares held.

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

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

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

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

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, consistent with those of the audited financial statements for the year ended 31 December 2016.

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

In the current financial year, the Group adopted the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on or after 1 January 2017.

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

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

	3 Months Ended		12 Months Ended	
	31.12.17	31.12.16	31.12.17	31.12.16
	Cents	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares in issue	0.81	2.62	3.01	5.16
(ii) On a fully diluted basis	0.81	2.62	3.01	5.16

The weighted average number of shares for the 3 months and 12 months ended 31 December 2017 were 140,767,484 ordinary shares (3 months and 12 months ended 31 December 2016: 140,767,484).

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

	Group	Company
	cents	cents
As at 31.12.17	62.13	56.44
As at 31.12.16	60.89	56.32

Net asset value per share is calculated based on the number of ordinary shares in issue of 140,767,484 as at 31 December 2017 (31 December 2016: 140,767,484).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

CONSOLIDATED INCOME STATEMENT

FY2017 versus FY2016

Overview

The Group recorded a net profit attributable to shareholders of \$4.2 million and earnings per ordinary share of 3.01 cents for FY2017.

Revenue

Revenue of \$129.9 million was 45.2% higher than the revenue for FY2016 of \$89.5 million due to sales from Trading business.

Gross profit

Gross profit of \$22.2 million was 24.6% higher than that for FY2016 of \$17.8 million. The increase was due to higher revenue recorded in FY2017. However, gross profit margin declined to 17.1% due to lower margins on sales for certain projects under the Trading business segment.

Other income

Other income of \$3 million was 71% lower than that for FY2016 of \$10.4 million due mainly to the following:

- a) Absence of foreign exchange gain in FY2017, whereas for FY2016 there was a foreign exchange gain of \$1.2 million;
- b) For FY2016 we recorded a "gain on disposal of avail-for-sale financial asset" amounting to \$1.3m; and
- c) For FY2016 we also recorded a service fees of \$5.9m million charged to a former associate for services rendered in relation to a project.

Selling and distribution costs

Selling and distribution costs of \$5.2 million were 28% lower than the costs incurred in FY2016 of \$7.2 million. The decrease was due mainly to lower sales to customers in People's Republic of China and lower marketing related expenses.

Other operating income / (expenses)

We recorded a reversal of accruals and provisions for vessel disposed amounting to \$3.8 million which is no longer required; higher foreign exchange loss of \$1.9m due to a weaker USD; and higher impairment loss on doubtful debts amounting to \$1.7m for FY2017.

Finance costs

Finance costs of \$1.1 million were higher than the costs incurred in FY2016 of \$660,000. The increase was due mainly to higher trade related banking facilities utilised by the Trading business.

Share of results of associates

The Group's share of results of its associates of \$474,000 were 70.3% lower than FY2016 due mainly to share of loss recorded by an associate company in Japan.

Management has also ceased equity accounting for an associate company in Indonesia Q4 2017 results as the final management accounts are not available.

Income tax expense

Income tax expense of \$1.4 million related to provisions made for the current year tax expense.

4Q2017 versus 4Q2016**Overview**

The Group recorded a net profit attributable to shareholders of \$1.1 million and earnings per ordinary share of 0.81 cents for 4Q2017.

Revenue

Revenue for 4Q2017 increased marginally by 4.4% to \$22.4 million.

Gross profit

Gross profit of \$5.3 million was higher than the gross profit for 4Q2016 of \$3.4 million. Gross profit margin for 4Q2017 also improved to 23.7% from FY2016 of 16.1% due to higher margins on sales for certain projects under the Trading business segment.

Other income

Other income of \$1.2 million was 81.1% lower than the other income for 4Q2016 of \$6.2 million. The other income for 4Q2017 related mainly to late payment interest charged to customers and sundry income. Sundry income relates mainly to property rental and other miscellaneous income.

The other income for 4Q2016 related mainly to foreign exchange gain of \$1.6 million, gain on disposal of available-for-sale financial asset of \$1.3 million and service fees of \$2.9 million charged to a former associate for services rendered in relation to a project.

Selling and distribution costs

Selling and distribution costs of \$1.2 million were 13.6% lower than the costs incurred in 4Q2016 of \$1.4 million. The decrease was due mainly to lower sales to customers in People's Republic of China and lower marketing related expenses.

Other operating income / (expenses)

We recorded a reversal of accruals and provisions for vessel disposed amounting to \$3.8 million which is no longer required and also higher impairment loss on doubtful debts amounting to \$1.7m in 4Q2017.

Finance costs

Higher finance costs of \$361,000 was due mainly to higher trade related banking facilities utilised by the Trading business.

Share of results of associates

The Group's share of results of its associate amounted to \$30,000 for 4Q2017 as compared to \$21,000 for 4Q2016.

Management has also ceased equity accounting for an associate company in Indonesia Q4 2017 results as the final management accounts are not available.

Income tax expense

Income tax expense of \$354,000 related to provisions made for the current period tax expense.

STATEMENT OF FINANCIAL POSITION FOR THE GROUP

Net assets attributable to owners of the Company

As at 31 December 2017, the net assets attributable to owners of the Company amounted to \$87.5 million, which translates to a net asset value per ordinary share of 62.13 cents.

Non-current assets

Non-current assets decreased by \$2.7 million to \$64 million. The decrease was due mainly to:

- a) Decrease in property, plant and equipment (-\$1 million) due mainly to recognition of depreciation charge for the period; and
- b) Decrease in amount due from a related party (-\$511,000) and amount due from an associate (-\$378,000).
- c) Decrease in non-current financial receivable (-\$816,000) as the minimum guarantee fees pursuant to a service concession agreement to be received by a subsidiary is expected to expire in FY2018 and accordingly it is now accounted for under current assets.

Current assets

Current assets increased by \$4 million to \$81.8 million. The increase was due mainly to:

Increase in trade and other receivables (+\$12.6 million) due to an increase in trade receivables from Trading business; and offset by a decrease in cash and bank balances (-\$4.9 million), inventories (-\$2.2 million) and advance payment to suppliers (-\$1.3 million).

Current liabilities

Current liabilities decreased by \$9.6 million to \$58.8 million. The decrease was due mainly to:

- a) Decrease in trade and other payables (-\$4.3 million);
- b) Decrease in provision (-\$4.9 million); and
- c) Decrease in advance payment from customers (-\$1.3 million).

Non-current liabilities

Non-current liabilities increased by \$10.1 million to \$12.3 million, mainly due to an increase in term loans of \$9.7 million.

STATEMENT OF FINANCIAL POSITION FOR THE COMPANY

Non-current liabilities

Non-current liabilities decreased by \$1.8 million to \$21.3 million. The decrease was due mainly to a reduction in amounts due to subsidiaries arising from foreign exchange translation differences caused by a weaker USD.

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 December 2017, the Group's cash and cash equivalents, excluding pledged deposits, amounted to \$10.8 million. For the FY2017, operating activities and investing activities utilised cash of \$11.4 million and \$66,000 respectively, whereas financing activities generated net cash of \$7.6 million.

The net cash utilised by operating activities was due mainly to the net increase in trade and other receivables, decrease in trade and other payables as well as provisions.

The net cash provided by financing activities was due mainly to the net increase in trust receipts used to finance the trading business and drawdown of term loans. The increase was partially offset by dividend paid to shareholders during the year and repayment of term loans.

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

No forecast or prospect statement was given.

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

The outlook of the Group's business continues to be challenging as it is affected by the uncertainty of oil prices. The Group will remain focused in forming strategic partnerships in order to strengthen its competitiveness in the trading business and to position itself so as to benefit from any business opportunities. It will continue its efforts in streamlining its internal processes.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend	First and Final One-Tier Tax-Exempt
Dividend type	Cash
Dividend amount per share	1.5 Singapore cents per ordinary share of the Company

Name of dividend	Special One-Tier Tax-Exempt
Dividend type	Cash
Dividend amount per share	0.5 Singapore cents per ordinary share of the Company

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of dividend	First and Final One-Tier Tax-Exempt
Dividend type	Cash
Dividend amount per share	1.5 Singapore cents per ordinary share of the Company

Name of dividend	Special One-Tier Tax-Exempt
Dividend type	Cash
Dividend amount per share	0.5 Singapore cents per ordinary share of the Company

(c) Date payable

Subject to shareholders' approval being obtained at the Annual General Meeting of the Company to be held at 47 Genting Road, Singapore 349489 on Friday, 27 April 2018 at 10:00 a.m., a first and final one-tier tax-exempt cash dividend of 1.5 Singapore cents per ordinary share of the Company and a special one-tier tax exempt cash dividend of 0.5 Singapore cents per ordinary share of the Company for the financial year ended 31 December 2017 will be paid on 23 May 2018 ("Proposed First and Final Dividend and Proposed Special Dividend").

(d) Books closure date

The Share Transfer Book and Register of Members of the Company will be closed on 17 May 2018 for the preparation of payment for the Proposed First and Final Dividend and Proposed Special Dividend. Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5:00 p.m. on 16 May 2018 will be registered to determine shareholders' entitlement to the Proposed First and Final Dividend and Proposed Special Dividend.

Shareholders whose securities accounts maintained with The Central Depository (Pte) Limited are credited with ordinary shares of the Company at 5:00 p.m. on 16 May 2018 will be entitled to the Proposed First and Final Dividend and Proposed Special Dividend.

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

Not applicable.

13. Interested Person Transactions

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

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

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

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

Analysis by Business Segments	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate / Others		Elimination		Group	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
	S\$'000															
Revenue:																
External customers	127,390	86,911	1,731	1,869	-	-	837	701	-	-	-	-	-	-	129,958	89,481
Intersegment sales	115	33	999	1,530	-	-	-	-	-	-	2,904	2,904	(4,018)	(4,467)	-	-
Total revenue	127,505	86,944	2,730	3,399	-	-	837	701	-	-	2,904	2,904	(4,018)	(4,467)	129,958	89,481
Segment result	7,771	9,017	(274)	(575)	(4,119)	903	(409)	(403)	(2,629)	1,036	795	2,563	3,275	(4,351)	4,410	8,190
Depreciation and amortisation	(1,002)	(1,044)	(34)	(45)	-	-	(4)	(7)	-	-	(1,050)	(1,170)	-	-	(2,090)	(2,266)
Impairment loss on property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	(1,000)	-	-	-	(1,000)
Other non-cash income/ (expense)	(3,882)	(8,130)	-	-	3,780	433	(22)	(26)	423	-	(986)	430	2,489	7,898	1,802	605
Interest income															1,890	616
Finance costs															(1,118)	(660)
Share of results of associates															474	1,598
Profit before tax															5,368	7,083
Income tax credit / (expense)															(1,447)	182
Profit for the year															3,921	7,265

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

Analysis by Geographical Segments	Revenue		Non-current Assets	
	FY 2017	FY 2016	FY 2017	FY 2016
	S\$'000	S\$'000	S\$'000	S\$'000
China	8,556	17,226	17	24
Canada	773	-	-	-
Indonesia	103,806	47,298	9,500	10,514
Japan	3	12	1,471	1,676
Malaysia	501	1,943	-	-
Singapore	8,834	11,141	27,750	27,501
Thailand	3,526	2,775	1	1
USA	294	852	-	-
UK	217	641	229	244
UAE	177	2,632	-	-
Vietnam	1,260	3,576	-	-
Qatar	220	-	-	-
Others	1,791	1,385	-	-
	129,958	89,481	38,968	39,960

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

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

Please refer to paragraph 8.

16. **A breakdown of sales**

Group	FY 2017	FY 2016	Increase/ (decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	65,178	41,576	56.8
Operating profit after tax before deducting minority interests reported for first half year	1,444	2,802	(48.5)
Sales reported for second half year	64,780	47,905	35.2
Operating profit after tax before minority interests reported for second half year	2,477	4,463	(44.5)

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

Total Annual Dividend	FY 2017	FY 2016
	S\$'000	S\$'000
Ordinary	2,815	2,815
Preference	-	-
Total	2,815	2,815

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Mr. Koh Beng Guan, Don	43	Son of Mr. Koh Kian Kiong, Executive Chairman, CEO and Substantial Shareholder of Federal International (2000) Ltd Brother of Ms. Maggie Koh, Executive Director of Federal International (2000) Ltd	Managing Director of Alton International (S) Pte Ltd – since 2005 Managing Director of Alton International Resources Pte Ltd – since 2007 Director of PT Alton International Resources – since 2008 Director of Federal Energi Pte Ltd – since 2011 Executive Director of Federal International (2000) Ltd – Since January 2017	Mr. Koh Beng Guan, Don was appointed as Executive Director of Federal International (2000) Ltd with effect from 1 January 2017

19. 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.

BY ORDER OF THE BOARD

Koh Kian Kiong
Executive Chairman & CEO

Koh Maggie
Executive Director

25 February 2018