



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

**Unaudited Condensed Interim Financial Statements
For the Six Months and Full Year
Ended 31 December 2021**

28 February 2022

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

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	Note	Group			Group		
		6 Months Ended		Changes	12 Months Ended		Changes
		31.12.2021	31.12.2020		31.12.2021	31.12.2020	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
INCOME STATEMENT							
Revenue	5	30,996	38,057	(18.6)	59,816	68,142	(12.2)
Cost of sales		(25,018)	(30,914)	(19.1)	(47,779)	(56,150)	(14.9)
Gross profit		5,978	7,143	(16.3)	12,037	11,992	0.4
Gross profit margin		19.3%	18.8%		20.1%	17.6%	
Other income		3,097	1,243	149.2	3,983	2,289	74.0
Selling and distribution costs		(2,590)	(2,626)	(1.4)	(5,203)	(5,313)	(2.1)
Administrative and general costs		(4,450)	(4,406)	1.0	(8,676)	(9,148)	(5.2)
Other operating expenses		(736)	(974)	(24.4)	(1,138)	(1,147)	(0.8)
Net (impairment loss) / writeback of impairment loss on financial assets		159	(4,820)	(103.3)	(127)	(4,802)	(97.4)
Finance costs		(503)	(583)	(13.7)	(1,088)	(1,162)	(6.4)
Share of results of associates		563	747	(24.6)	1,038	1,288	(19.4)
Profit / (loss) before tax	6	1,518	(4,276)	(135.5)	826	(6,003)	(113.8)
Income tax (expense) / credit	7	204	1,315	(84.5)	(193)	1,193	(116.2)
Profit / (loss) net of tax		1,722	(2,961)	(158.2)	633	(4,810)	(113.2)
Attributable to:							
Owners of the Company		1,384	(3,120)	(144.4)	334	(5,014)	(106.7)
Non-controlling interests		338	159	112.6	299	204	46.6
		1,722	(2,961)	(158.2)	633	(4,810)	(113.2)
Earnings / (loss) per share attributable to owners of the Company (cents per share)	8						
Basic		0.98	(2.22)		0.24	(3.56)	
Diluted		0.98	(2.22)		0.24	(3.56)	

N.M. – Not Meaningful

	← Group →			← Group →		
	6 Months Ended		Changes	12 Months Ended		Changes
	31.12.2021	31.12.2020		31.12.2021	31.12.2020	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit / (loss) net of tax	1,722	(2,961)	(158.2)	633	(4,810)	(113.2)
Other comprehensive income:						
Items that will not be reclassified subsequently to profit or loss						
Foreign currency translation	786	(311)	N.M.	753	(208)	N.M.
Net surplus on revaluation of leasehold buildings	584	108	N.M.	584	108	N.M.
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation	1,043	(1,029)	N.M.	1,228	(376)	N.M.
Share of other comprehensive income / (loss) of associates	(25)	(350)	(92.9)	15	(89)	(116.9)
Other comprehensive income / (loss) for the period/year, net of tax	2,388	(1,582)	N.M.	2,580	(565)	N.M.
Total comprehensive income / (loss) for the period/year	4,110	(4,543)	N.M.	3,213	(5,375)	N.M.
Total comprehensive income / (loss) attributable to:						
Owners of the Company	2,986	(4,391)	(168.0)	2,161	(5,371)	(140.2)
Non-controlling interests	1,124	(152)	N.M.	1,052	(4)	N.M.
	4,110	(4,543)	(190.5)	3,213	(5,375)	(159.8)

N.M. – Not Meaningful

	Note	Group		Company	
		As At 31.12.2021	As At 31.12.2020	As At 31.12.2021	As At 31.12.2020
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment	10	11,405	17,459	9	12
Right-of-use assets		3,095	3,349	–	–
Investment properties	11	17,900	11,500	–	–
Investment in subsidiaries		–	–	70,949	76,353
Investment in associates		8,978	7,924	732	732
Intangible assets	12	545	682	–	–
Financial assets at fair value through other comprehensive income ("FVOCI")	13	381	381	381	381
Other receivables	14	11,112	11,104	11,022	11,022
Deferred tax assets		2,328	2,142	–	–
		55,744	54,541	83,093	88,500
Current assets					
Inventories		11,519	16,666	–	–
Trade receivables	15	36,571	27,985	–	–
Other receivables		2,131	3,556	234	562
Advance payment to suppliers		4,964	701	–	–
Prepayments		517	336	16	23
Deposits		30	40	4	4
Amounts due from subsidiaries		–	–	3,478	3,302
Amounts due from associates		2,898	2,840	–	–
Amounts due from related parties		200	3,649	–	–
Fixed and bank deposits		103	1,460	–	1,322
Cash and bank balances		11,387	6,807	621	131
		70,320	64,040	4,353	5,344
Current liabilities					
Trade payables		15,934	8,950	–	–
Other payables		4,238	4,067	523	569
Contract liabilities		18,917	1,962	–	–
Amounts due to subsidiaries		–	–	871	1,056
Amounts due to associates		–	10	–	–
Amounts due to related parties		2,184	1,686	–	–
Amounts due to banks	16	7,225	18,747	–	–
Term loans	16	7,418	7,804	–	–
Lease liabilities		205	213	–	–
Provision for taxation		391	144	–	–
		56,512	43,583	1,394	1,625
Net current assets		13,808	20,457	2,959	3,719
Non-current liabilities					
Amounts due to subsidiaries		–	–	8,402	15,387
Term loans	16	4,327	7,445	–	–
Provision for post employment benefits		167	206	–	–
Lease liabilities		3,108	3,290	–	–
Deferred tax liabilities		1,157	1,902	99	91
		8,759	12,843	8,501	15,478
Net assets		60,793	62,155	77,551	76,741

	Note	Group		Company	
		As At 31.12.2021	As At 31.12.2020	As At 31.12.2021	As At 31.12.2020
		S\$'000	S\$'000	S\$'000	S\$'000
Equity					
Share capital	17	144,099	144,099	144,099	144,099
Treasury shares	17	(25)	(25)	(25)	(25)
Foreign currency translation reserve		(3,114)	(4,357)	–	–
Capital reserve		5	5	–	–
Revaluation reserve		18,993	18,409	–	–
Other reserves		(1,133)	(1,133)	(157)	(157)
Accumulated losses		(78,802)	(79,136)	(66,366)	(67,176)
Equity attributable to owners of the Company		80,023	77,862	77,551	76,741
Non-controlling interests		(19,230)	(15,707)	–	–
Total equity		60,793	62,155	77,551	76,741

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

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

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

GROUP	Attributable to owners of the Company							Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Accumu- lated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000			
Balance at 01.01.2020	144,099	(25)	(74,122)	(3,892)	5	18,301	(1,133)	83,233	(13,139)	70,094
Loss net of tax	-	-	(1,894)	-	-	-	-	(1,894)	45	(1,849)
Other comprehensive income/(loss):										
Items that will not be reclassified subsequently to profit or loss:										
Foreign currency translation	-	-	-	-	-	-	-	-	103	103
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	-	-	-	653	-	-	-	653	-	653
Share of other comprehensive income of associates and joint venture	-	-	-	261	-	-	-	261	-	261
Total comprehensive income/(loss) for the period	-	-	(1,894)	914	-	-	-	(980)	148	(832)
Balance at 30.06.2020	144,099	(25)	(76,016)	(2,978)	5	18,301	(1,133)	82,253	(12,991)	69,262
Loss net of tax	-	-	(3,120)	-	-	-	-	(3,120)	159	(2,961)
Other comprehensive income/(loss):										
Items that will not be reclassified subsequently to profit or loss:										
Foreign currency translation	-	-	-	-	-	-	-	-	(311)	(311)
Net surplus on revaluation of leasehold buildings	-	-	-	-	-	108	-	108	-	108
Items that are or may be reclassified subsequently to profit or loss:										
Foreign currency translation	-	-	-	(1,029)	-	-	-	(1,029)	-	(1,029)
Share of other comprehensive loss of associates and joint venture	-	-	-	(350)	-	-	-	(350)	-	(350)
Total comprehensive income/(loss) for the period	-	-	(3,120)	(1,379)	-	108	-	(4,391)	(152)	(4,543)
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	(8)	(8)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(2,556)	(2,556)
Balance at 31.12.2020	144,099	(25)	(79,136)	(4,357)	5	18,409	(1,133)	77,862	(15,707)	62,155

The Company	Share capital	Treasury shares	Accumulated losses	Other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 01.01.2021	144,099	(25)	(67,176)	(157)	76,741
Profit for the period	–	–	283	–	283
Total comprehensive income for the period	–	–	283	–	283
Balance at 30.06.2021	144,099	(25)	(66,893)	(157)	77,024
Profit for the period	–	–	527	–	527
Total comprehensive income for the period	–	–	527	–	527
Balance at 31.12.2021	144,099	(25)	(66,366)	(157)	77,551
Balance at 01.01.2020	144,099	(25)	(70,899)	(157)	73,018
Loss for the period	–	–	(179)	–	(179)
Total comprehensive loss for the period	–	–	(179)	–	(179)
Balance at 30.06.2020	144,099	(25)	(71,078)	(157)	72,839
Profit for the period	–	–	3,902	–	3,902
Total comprehensive income for the period	–	–	3,902	–	3,902
Balance at 31.12.2020	144,099	(25)	(67,176)	(157)	76,741

	Group		Group	
	For 6 Months Ended		For 12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit / (loss) before tax	1,518	(4,276)	826	(6,003)
<u>Adjustments for:</u>				
Allowance for slow moving inventories	791	141	1,101	141
Amortisation of intangible assets	68	68	136	136
Amount due from a related party written off	1	–	1	–
Bad debts recovered	(1,269)	(73)	(1,365)	(102)
Depreciation of property, plant and equipment	931	973	1,912	1,969
Depreciation of right-of-use assets	125	158	262	336
Fair value gain on investment properties	(2,300)	–	(2,300)	–
Impairment loss on intangible assets	–	696	–	696
Impairment loss on receivables (current)	10	5,030	301	5,030
Implicit interest income	(2)	(2)	(4)	(4)
Interest expense	503	583	1,088	1,162
Interest income	(83)	(212)	(132)	(227)
Loss / (gain) on disposal of property, plant and equipment, net	3	(11)	2	(11)
Loss on disposal of a subsidiary	–	16	–	16
Share of results of associates	(563)	(747)	(1,038)	(1,288)
Writeback of impairment loss on receivables (current)	(169)	(145)	(174)	(163)
Writeback of impairment loss on financial receivables	–	(65)	–	(65)
Foreign currency exchange gain	(36)	(37)	(105)	(145)
Operating cash flows before changes in working capital	(472)	2,097	511	1,478
<u>(Increase) / decrease in:</u>				
Inventories	(1,563)	(3,603)	4,098	(6,607)
Trade and other receivables	(3,561)	(9,839)	5,109	(4,419)
Financial receivable	–	69	–	69
Advance payment to suppliers	(3,269)	1,338	(4,225)	287
Prepayments	(193)	(26)	(178)	(131)
Deposits	10	–	10	6
Amounts due from associates	–	–	1	–
Amounts due from related parties	(27)	–	(27)	–
<u>(Decrease) / increase in:</u>				
Trade and other payables	10,628	3,708	7,080	645
Contract liabilities	5,478	(2,060)	5,758	319
Amounts due to associates	(10)	–	(10)	–
Amounts due to related parties	458	(117)	396	(276)
Provision for post employment benefits	7	(84)	(39)	(84)
Cash flows generated from / (used in) operations	7,486	(8,517)	18,484	(8,713)
Bad debts recovered received	899	73	995	102
Income taxes (paid) / refund	12	(99)	(114)	(248)
Interest income received	2	50	197	170
Net cash flows generated from / (used in) operating activities	8,399	(8,493)	19,562	(8,689)

	Group		Group	
	For 6 Months Ended		For 12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities:				
Interest income received	4	26	6	30
Repayment of loan from investee company	337	–	139	–
Net cash inflow on disposal of a subsidiary	–	5	–	5
Proceeds from disposal of property, plant and equipment	30	11	31	11
Proceeds from disposal of a joint venture	–	58	–	58
Purchase of property, plant and equipment	(142)	29	(181)	(191)
Net cash flows (used in) / generated from investing activities	229	129	(5)	(87)
Cash flows from financing activities:				
Interest expense paid	(396)	(450)	(938)	(991)
Decrease / (increase) in pledged deposits	1,344	(106)	1,344	(106)
Proceeds from / (repayments of) bank overdrafts	(189)	786	574	(211)
Drawdown of term loans	424	875	1,031	6,826
Repayment of term loans	(2,261)	(1,979)	(4,617)	(4,230)
Drawdown of trust receipts	7,616	18,779	20,107	30,463
Repayments of trust receipts	(9,124)	(7,893)	(32,271)	(22,724)
Repayments of lease liabilities - principal	(93)	(123)	(198)	(277)
Repayments of lease liabilities - interest	(91)	(95)	(184)	(193)
Net cash flows (used in) / generated from financing activities	(2,770)	9,794	(15,152)	8,557
Net increase / (decrease) in cash and cash equivalents	5,858	1,430	4,405	(219)
Effect of exchange rate changes on cash and cash equivalents	58	(184)	138	(97)
Cash and cash equivalents at beginning of period	5,471	5,598	6,844	7,160
Cash and cash equivalents at end of the period	11,387	6,844	11,387	6,844

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

	Group	
	12 Months Ended	
	31.12.2021	31.12.2020
	S\$'000	S\$'000
Cash and cash equivalents at the end of the period:		
Cash and bank balances and fixed and bank deposits	11,490	8,267
Less: Bank deposits pledged	(103)	(1,423)
Cash and cash equivalents	11,387	6,844

1. Corporate information

Federal International (2000) Ltd (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

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 2021 did not result in any substantial change to the Group’s and 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 2020.

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

3. Seasonal operations

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

4. Segment information

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

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

Geographical Information

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

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

4. Segment information (cont'd)

4.1 Business segments

Analysis by Business segments	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate / Others		Elimination		Group	
	6 Months Ended															
S\$'000	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Revenue:																
External customers	28,552	36,598	556	337	-	-	1,888	1,122	-	-	-	-	-	-	30,996	38,057
Intersegment sales	15	15	330	304	-	-	-	-	-	-	1,440	1,440	(1,785)	(1,759)	-	-
Total revenue	28,567	36,613	886	641	-	-	1,888	1,122	-	-	1,440	1,440	(1,785)	(1,759)	30,996	38,057
Result:	3,267	1,171	(2)	49	91	(2,737)	42	190	542	(1,091)	(664)	4,733	(1,253)	(171)	2,023	2,144
Depreciation & amortisation	(575)	(734)	(76)	(75)	-	(3)	(2)	(1)	-	-	(510)	(502)	39	116	(1,124)	(1,199)
Other non-cash income/(expense)	(628)	(5,791)	3	136	(1)	-	178	65	-	-	922	(9)	-	-	474	(5,599)
Finance costs	(612)	(683)	(13)	(18)	-	(6)	-	-	-	-	(1)	-	123	124	(503)	(583)
Interest income															85	214
Share of results of associates															563	747
Profit/(loss) before tax															1,518	(4,276)
Income tax credit															204	1,315
Profit/(loss) net of tax															1,722	(2,961)

4. Segment information (cont'd)

4.1 Business segments (cont'd)

Analysis by Business segments	Trading		Manufacturing/ Design/Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate / Others		Elimination		Group	
	12 Months Ended															
	S\$'000	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021
Revenue:																
External customers	55,732	64,623	1,324	1,714	-	-	2,760	1,805	-	-	-	-	-	-	59,816	68,142
Intersegment sales	27	193	455	1,217	-	-	-	-	-	-	2,880	2,880	(3,362)	(4,290)	-	-
Total revenue	55,759	64,816	1,779	2,931	-	-	2,760	1,805	-	-	2,880	2,880	(3,362)	(4,290)	59,816	68,142
Result:	4,498	1,527	(35)	59	950	(925)	19	241	199	(1,040)	(1,048)	3,828	(1,449)	(2,055)	3,134	1,635
Depreciation & amortisation	(1,268)	(1,498)	(151)	(147)	-	(5)	(4)	(3)	-	-	(1,017)	(1,026)	130	238	(2,310)	(2,441)
Other non-cash income/(expense)	(1,176)	(5,746)	(7)	136	(1)	-	178	65	-	-	922	(9)	-	-	(84)	(5,554)
Finance costs	(1,302)	(1,356)	(29)	(39)	-	(12)	-	-	-	-	(1)	-	244	245	(1,088)	(1,162)
Interest income															136	231
Share of results of associates															1,038	1,288
Profit/(loss) before tax															826	(6,003)
Income tax (expense)/credit															(193)	1,193
Profit/(loss) net of tax															633	(4,810)

4. Segment information (cont'd)

4.1 Business segments (cont'd)

Analysis by Business Segments	Trading		Manufacturing/ Design/ Research and Development		Marine Logistics		Energy and Utilities		Resources		Corporate/Others		Elimination		Group	
	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	FY2020
Assets:																
Investment in associates	130,381	120,031	2,226	2,243	3,862	13,889	4,819	4,273	-	-	89,226	96,985	(115,756)	(128,906)	114,758	108,515
Unallocated assets	-	-	-	-	7,626	6,308	-	-	-	-	1,352	1,616	-	-	8,978	7,924
Total assets															126,064	118,581
Liabilities:																
Unallocated liabilities	(98,478)	(88,539)	(6,433)	(6,189)	(86,482)	(86,578)	(13,106)	(12,480)	(54,108)	(53,667)	(45,197)	(53,300)	240,081	246,373	(63,723)	(54,380)
Total liabilities															(1,548)	(2,046)
Other segment information:																
Additions to non-current assets:																
- PPE ⁽¹⁾	108	141	71	34	-	-	2	3	-	-	-	13	-	-	181	191
- ROU assets ⁽²⁾	6	84	-	-	-	-	-	-	-	-	-	-	-	-	6	84
- IP ⁽³⁾	4,100	-	-	-	-	-	-	-	-	-	-	-	-	-	4,100	-

⁽¹⁾ Properties, plant and equipment

⁽²⁾ Rights-of-use assets

⁽³⁾ Investment properties

4. Segment information (cont'd)

4.2 Geographical segments

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

Analysis by Geographical Segments	Revenue 6 Months Ended		Revenue 12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Indonesia	11,011	4,808	12,162	7,697
Japan	12	6	64	32
People's Republic of China	7,677	10,689	14,442	28,150
Singapore	6,949	5,697	12,416	9,402
Thailand	3,082	11,286	16,161	11,867
Vietnam	14	2,841	637	5,858
Others	2,251	2,730	3,934	5,136
	30,996	38,057	59,816	68,142

Analysis by Geographical Segments	Non-current Assets	
	FY 2021	FY 2020
	S\$'000	S\$'000
Indonesia	9,706	9,426
Japan	1,352	1,616
People's Republic of China	15	16
Singapore	30,347	29,277
Thailand	–	4
Others	503	575
	41,923	40,914

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

5. Revenue

	Group 6 Months Ended		Group 12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Point in time</u>				
Sale of products	29,689	37,270	58,116	67,103
<u>Overtime</u>				
Service concession income	226	288	513	540
Provision of wastewater treatment services	1,081	499	1,187	499
	30,996	38,057	59,816	68,142

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

5. Revenue (cont'd)

Group	FY 2021	FY 2020	Increase/ (decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	28,820	30,085	(4.2)
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	(1,089)	(1,849)	(41.1)
Sales reported for second half year	30,996	38,057	(18.6)
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	1,722	(2,961)	(158.2)

6. Profit / (loss) before tax

The following items have been included in arriving at profit / (loss) before tax:

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Other income				
Change in fair value of investment properties	2,300	–	2,300	–
Gain on disposal of property, plant and equipment	10	11	11	11
Implicit interest income	2	2	4	4
Interest income	83	212	132	227
Interest income on guaranteed repayment due from a related party	44	–	44	–
Other rental income	78	108	186	216
Rental income from investment properties	153	120	276	233
Grant income	22	484	313	1,028
Sundry income	405	306	717	570
	3,097	1,243	3,983	2,289
Other operating expenses				
Allowance for slow moving inventories	(791)	(141)	(1,101)	(141)
Amount due from a related party written off	(1)	–	(1)	–
Bad debts recovered	1,269	73	1,365	102
Foreign currency exchange loss	(1,009)	(5)	(1,127)	(142)
Inventories written off	(162)	(6)	(220)	(7)
Impairment loss on intangible assets	–	(696)	–	(696)
Loss on disposal of a subsidiary	–	(16)	–	(16)
Loss on disposal of property, plant and equipment	(13)	–	(13)	–
Other expenses	(29)	(183)	(41)	(247)
	(736)	(974)	(1,138)	(1,147)

6. Profit / (loss) before tax (cont'd)

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Selling and distribution costs				
Depreciation of property, plant and equipment	(13)	(13)	(26)	(28)
Administrative and general costs				
Amortisation of intangible assets	(68)	(68)	(136)	(136)
Depreciation of property, plant and equipment	(918)	(960)	(1,886)	(1,941)
Depreciation of right-of-use assets	(125)	(158)	(262)	(336)
Net (impairment loss) / writeback of impairment loss on financial assets				
Impairment loss on receivables (current)	(10)	(5,030)	(301)	(5,030)
Write back of impairment loss on financial receivables	–	65	–	65
Write back of impairment loss on receivables (current)	169	145	174	163
	159	(4,820)	(127)	(4,802)
Finance costs				
Interest expense on:				
- Bank overdrafts	(100)	(81)	(193)	(147)
- Term loans	(249)	(305)	(508)	(589)
- Trust receipts	(49)	(101)	(189)	(233)
- Lease liabilities	(91)	(96)	(184)	(193)
- amount owing to a related party	(14)	–	(14)	–
	(503)	(583)	(1,088)	(1,162)

7. Income tax expense / (credit)

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

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax				
- Current income taxation	88	74	88	185
- Under / (over) provision in respect of previous years	(112)	152	273	162
	(24)	226	361	347
Deferred income tax				
- Origination and reversal of temporary differences	(127)	(1,129)	(115)	(1,128)
- Over provision in respect of previous years	(53)	(412)	(53)	(412)
	(180)	(1,541)	(168)	(1,540)
Income tax expense / (credit) recognised in income statement	(204)	(1,315)	193	(1,193)

8. Earnings / (loss) per share

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

As at 31 December 2021 and 31 December 2020, diluted earnings/(loss) per share is similar to basic earnings/(loss) per share as there were no potential dilutive ordinary shares.

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

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Profit / (loss) net of tax attributable to owners of the Company used in the computation of earnings/(loss) per share	1,384	(3,120)	334	(5,014)
	Number of shares		Number of shares	
	'000	'000	'000	'000
Weighted average number of ordinary shares on issue (excluding treasury shares) for earnings/(loss) per share computation	140,667	140,667	140,667	140,667

9. Related party transactions

(a) Sale and purchase of goods and services

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

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Advances from a director of the Company	–	–	20	–
Rental paid to a director of certain subsidiaries	(19)	(19)	(38)	(37)
(Repayments of) / additions to amount owing to a director of certain subsidiaries	459	(117)	376	(276)
Amount recovered from a director of certain subsidiaries ⁽¹⁾	922	–	922	–
Secretarial and professional fee paid to director-related firms ⁽²⁾	(14)	(12)	(27)	(45)
Settlement of amount due from a related party ⁽³⁾	(3,773)	–	(3,773)	–

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

⁽²⁾ During the current financial period, secretarial and professional services were provided by entities where one of the independent directors of the Company is also the director of the secretarial and professional entities. Approximately \$3,000 (2020: \$Nil) was outstanding at the end of current financial period.

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

(b) Compensation of key management personnel

	Group		Group	
	6 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Directors' fees	94	112	189	230
Short-term employee benefits	801	929	1,586	1,839
Defined contributions	36	47	75	92
Other short-term benefits	37	33	65	78
Total compensation paid to key management personnel	968	1,121	1,915	2,239
Comprise of amounts paid to:				
Directors of the Company	615	716	1,231	1,447
Other key management personnel	353	405	684	792
	968	1,121	1,915	2,239

10. Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired assets amounting to S\$142,000 (31 December 2020: S\$102,000), disposed of assets amounting to net book value of S\$32,000 (31 December 2020: S\$Nil) and reclassified leasehold building amounting to S\$4,100,000 to Investment Properties (31 December 2020: S\$Nil).

10.1. Revaluation of leasehold building

Leasehold building relate 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 2021. Adjustments were made for differences in location, land area, floor area, floor loading, ceiling height, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and the prevailing market conditions amongst other factors affecting its value, with consideration on the impact of COVID-19 pandemic.

The fair value measurement is categorised under Level 3 of the fair value hierarchy.

The Group's leasehold building with carrying amount of S\$8,700,000 (31 December 2020: S\$13,650,000) are mortgaged to secure banking facilities and bank loans of certain subsidiaries (Note 16).

11. Investment properties

	Group	
	31.12.2021	31.12.2020
	S\$'000	S\$'000
Beginning of financial year	11,500	11,500
Reclassified from property, plant and equipment	4,100	–
Fair value gain recognised in income statement	2,300	–
End of financial year	17,900	11,500

The investment properties are mortgaged to secure banking facilities and bank loans (Note 16).

11.1 Fair value of investment properties

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

The fair values of the Group's investment properties were determined based on the properties' highest and best use by an external valuer using market comparison approach at 31 December 2021.

For market comparison approach, fair value was computed using recent transactions of comparable properties, prevailing market condition and underlying economic factors which may influence the trend of the market values, with consideration on the impact of COVID-19 pandemic.

The fair value measurement is categorised under Level 3 of the fair value hierarchy.

12. Intangible assets

	Group		
	Goodwill	Development costs	Total
	S\$'000	S\$'000	S\$'000
At 30 June 2021			
Cost	1,044	2,061	3,105
Accumulated amortisation and impairment loss	(1,044)	(1,448)	(2,492)
Net carrying amount	–	613	613
6 months ended 31 December 2021			
Opening carrying amount	–	613	613
Amortisation charge	–	(68)	(68)
Impairment loss [see below (a) and (b)]	–	–	–
Exchange difference	–	–	–
Closing net carrying amount	–	545	545

(a) Impairment testing of goodwill

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

(b) Impairment testing of development costs

Development costs relate to testing and design development projects/prototypes.

At 31 December 2020, the development costs amounting to S\$696,000 relating to the second phase of a developing project has been fully impaired, as the Group expects delay in completing the development due to COVID-19 pandemic.

Management has reviewed and is of the opinion that there is no further indication of impairment as at 31 December 2021.

13. Financial assets at fair value through other comprehensive income (“FVOCI”)

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Equity investments designated at FVOCI</i>				
Unquoted equity shares	381	381	381	381

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

13. Financial assets at fair value through other comprehensive income (“FVOCI”) (cont'd)

The fair value of the unquoted equity share is determined by reference to the equity value of an investee company. The equity value of the investee company is determined by the external valuer based on discounted cash flow analysis from forecast provided by the investee company covering a three-year period, with consideration on the impact of COVID-19 pandemic.

No fair value adjustment was made as at 31 December 2021 (31 December 2020: S\$Nil) based on the fair value of the unquoted equity share.

These investments are categorised under Level 3 fair value hierarchy.

14. Other receivables (non-current)

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	90	82	–	–
Loan to a shareholder of an investee company	13,022	13,022	13,022	13,022
Less: impairment loss	(2,000)	(2,000)	(2,000)	(2,000)
	11,112	11,104	11,022	11,022

The loan to a shareholder of an investee company, as disclosed in Note 13, PT Gunanusa Utama Fabrication (“PTG”), is secured by the shareholder’s shares of the investee company, bears interest at 7% (31 December 2020: 7%) per annum and is repayable in financial year ending 2023 (31 December 2020: 2023).

Management assessed the loan to a shareholder of an investee company for impairment using the expected credit loss model and took into consideration the fair value of the pledged shares. No further impairment loss was made as at 31 December 2021 (31 December 2020: S\$Nil) based on the fair value of the pledged shares.

The fair value of the pledged shares is determined by reference to the equity value of the investee company based on valuation performed by an external valuer using income approach.

The valuation using income approach has been determined based on discounted cash flow analysis from forecast provided by the investee company covering a three-year period. The post-tax discount rate applied to the cash flow projection and forecasted growth rate used to extrapolate cash flow projection beyond three-year period are 12.3% (31 December 2020: 15%) and 1.7% (31 December 2020: 1.4%) respectively.

15. Trade receivables

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2021 and 31 December 2020 are set out in the provision matrix below:

Group	Weighted average loss rate %	Gross carrying amount S\$'000	Credit loss allowance S\$'000	Net carrying amount S\$'000
31 December 2021				
Current (not past due)	-	16,694	-	16,694
1 – 120 days past due	0.8	6,418	(52)	6,366
More than 120 days past due	42.3	23,414	(9,903)	13,511
		46,526	(9,955)	36,571
31 December 2020				
Current (not past due)	0.3	9,060	(32)	9,028
1 – 120 days past due	1.0	9,937	(99)	9,838
More than 120 days past due	51.9	18,955	(9,836)	9,119
		37,952	(9,967)	27,985

Included in the amount that are more than 120 days past due are amounts due from PTG amounting to \$8.3m and retention amount of \$2.5 million from customers in accordance with contract terms. These retention money are expected to be paid upon completion of final documentations.

PTG has secured a significant project of which the Group has undertaken its procurement scope. The Group continues to monitor PTG's financial position and performance on a periodic basis to manage the Group's overall exposure and its recoverability.

16. Amounts due to banks and Term loans

	Group	
	31.12.2021 S\$'000	31.12.2020 S\$'000
Amounts due to banks		
<u>Amount repayable within one year or less, or on demand</u>		
Bank overdrafts, secured	3,270	2,697
Trust receipts, secured	3,955	16,050
	7,225	18,747
Term loans		
<u>Amount repayable within one year or less, or on demand</u>		
Term loan, secured	7,418	7,804
<u>Amount repayable after one year</u>		
Term loan, secured	4,327	7,445
Aggregate amounts of Group's borrowings		
<u>Amount repayable within one year or less, or on demand</u>		
Secured	14,643	26,551
<u>Amount repayable after one year</u>		
Secured	4,327	7,445

16. Amounts due to banks and Term loans (cont'd)

16.1 Securities

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

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

17. Share capital and Treasury shares

	Group and Company			
	31.12.2021		31.12.2020	
	Number of shares	Amount	Number of shares	Amount
	'000	S\$'000	'000	S\$'000
Share capital				
<i>Issued and fully paid ordinary shares</i>				
Beginning and end of financial year	140,767	144,099	140,767	144,099
Treasury shares				
Beginning and end of financial year	(100)	(25)	(100)	(25)
Total number of issued shares excluding treasury shares as at end of financial year	140,667		140,667	

The Company did not issue any ordinary shares during the 12 months ended 31 December 2021.

The Company did not have any convertible securities as at 31 December 2021 (31 December 2020: Nil).

There were a total of 100,000 treasury shares held as at 31 December 2021 (31 December 2020: 100,000). There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no subsidiary holdings as at 31 December 2021 (31 December 2020: Nil). There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

18. Fair value measurement

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

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

The following table shows an analysis of each class of assets measured at fair value at the balance sheet date:

	Level 1	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
31 December 2021				
<u>Group</u>				
<u>Non-financial assets</u>				
Property, plant and equipment				
- Leasehold buildings	-	-	8,700	8,700
Investment properties	-	-	17,900	17,900
<u>Financial assets at FVOCI</u>				
Unquoted equity shares	-	-	381	381
<u>Company</u>				
<u>Financial assets at FVOCI</u>				
Unquoted equity shares	-	-	381	381
31 December 2020				
<u>Group</u>				
<u>Non-financial assets</u>				
Property, plant and equipment				
- Leasehold buildings	-	-	13,650	13,650
Investment properties	-	-	11,500	11,500
<u>Financial assets at FVOCI</u>				
Unquoted equity shares	-	-	381	381
<u>Company</u>				
<u>Financial assets at FVOCI</u>				
Unquoted equity shares	-	-	381	381

19. Categories of Financial assets and financial liabilities

Set out below are the carrying amounts of the Group's and Company's financial assets and financial liabilities as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
At FVOCI	381	381	381	381
At amortised cost	64,076	56,158	19,137	20,044
At cost	–	–	12,862	12,808
	64,457	56,539	32,380	33,233
Financial liabilities				
At amortised cost	44,136	51,695	1,285	1,499
At cost	–	–	8,402	15,387
	44,136	51,695	9,687	16,886

20. Net Asset Value

	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	cents	cents	cents	cents
Net asset value per ordinary share	56.89	55.35	55.13	54.55

Net asset value per share is calculated based on the number of ordinary shares on issue (excluding treasury shares) of 140,667,484 as at 31 December 2021 (31 December 2020: 140,667,484).

21. Subsequent events

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

1. Review

The condensed consolidated statement of financial position of Federal International (2000) Ltd and its subsidiaries as at 31 December 2021 and the related condensed consolidated income statement and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

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

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

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

None.

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

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

CONSOLIDATED INCOME STATEMENT

FY2021 versus FY2020

Revenue

Group revenue of \$59.8 million was 12.2% lower as compared to the revenue in FY2020 of \$68.1 million. This was due mainly to lower sales from the Trading business in China, partially offset by higher sales in Indonesia and Thailand.

Gross profit

Gross profit of \$12.0 million was comparable to FY2020. Gross profit margin was higher at 20.1% (FY2020: 17.6%). This was due mainly to higher sales and margins for Trading business in Thailand.

Other income

Other income of \$4.0 million was higher than the \$2.3 million in FY2020 mainly due to the change in fair value of investment properties of \$2.3 million, partially offset by lower grant income of Jobs Support Scheme ("JSS") payout of \$715,000.

Selling and distribution costs

Selling and distribution costs of \$5.2 million in FY2021 were marginally lower as compared to cost of \$5.3 million incurred in FY2020.

Administrative and general costs

Administrative and general costs of \$8.7 million (FY2020: \$9.1 million) were lower due mainly to cost control measures initiated during the year which resulted in lower staff costs of \$630,000.

Other operating expenses

Other operating expenses in FY2021 were comparable to FY2020 at \$1.1 million.

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

Impairment loss on financial assets amounted to \$301,000 (FY2020: \$5.0 million), which was partially offset by a writeback of \$174,000 (FY2020: \$163,000). Higher impairment loss in FY2020 was mainly due to defaults of several customers of the Group's Indonesia trading business.

Finance costs

Finance costs of \$1.1 million were marginally lower than the costs incurred in FY2020 of \$1.2 million due mainly to lower average term loan outstanding during the year.

Share of results of associates

The Group's share of results of associates decreased to \$1.0 million (FY2020: \$1.3 million) due mainly to lower contribution from an associated company in Indonesia.

Income tax (expense) / credit

The Group recorded a tax expense of \$193,000 in FY2021 as compared to a tax credit of \$1.2 million in FY2020. In FY2021, the tax expense mainly related to prior years' under provision of current income tax whereas in FY2020, the tax credit mainly related to deferred tax assets arising from provision for impairment loss of trade receivables.

2H2021 versus 2H2020

Revenue

Revenue of \$31.0 million in 2H2021 was 18.6% lower than the revenue in 2H2020 of \$38.1 million. This was mainly due to lower revenue registered by the Group's trading operation in China and Thailand, partially offset by higher revenue of the trading operation in Indonesia.

Gross profit

Gross profit of \$6.0 million in 2H2021 was 16.3% lower than 2H2020 of \$7.1 million. The decrease was mainly due to lower revenue in 2H2021. Gross profit margin was marginally higher at 19.3% (2H2020: 18.8%) in 2H2021.

Other income

Other income of \$3.1 million was higher than the \$1.2 million in 2H2020 due to the change in fair value of investment properties of \$2.3 million, partially offset by lower grant income of Jobs Support Scheme ("JSS") payout of \$462,000.

Selling and distribution costs

Selling and distribution costs of \$2.6 million remained comparable to 2H2020.

Administrative and general costs

Administrative and general costs of \$4.5 million in 2H2021 were marginally higher as compared to cost of \$4.4 million incurred in 2H2020.

Other operating expenses

Other operating expenses in 2H2021 amounted to \$736,000 as compared to \$974,000 in 2H2020. Other operating expenses in 2H2021 mainly comprised of foreign currency exchange loss (\$1.0 million) and allowance for slow moving inventories (\$791,000), partially offset by bad debts recovered (\$1.3 million). Expenses in 2H2020 mainly comprised of impairment loss on intangible assets (\$696,000) and other expenses of \$183,000 (repair and maintenance of land drilling rig).

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

Write back of impairment loss on receivables (current) amounted to \$169,000 for the period (2H2020: \$145,000). Higher impairment loss of \$5 million in 2H2020 was mainly due to defaults of several customers of the Group's Indonesia trading business.

Finance costs

Finance costs of \$503,000 in 2H2021 were lower than the costs incurred in 2H2020 of \$583,000. Lower interest expenses on term loans and trust receipts was partially offset by higher interest expense on bank overdraft.

Share of results of associates

The Group's share of results of associates of \$563,000 in 2H2021 (2H2020: \$747,000) were lower mainly due to lower profits reported by the Group's associated companies in Indonesia and Japan.

Income tax (expense) / credit

The Group recorded a tax credit of \$204,000 in 2H2021 (2H2020: \$1.3 million). In 2H2021, the tax credit mainly related to prior years' over provision of current income tax and current year provision of deferred tax assets whereas in 2H2020, the tax credit mainly related to deferred tax assets arising from provision for impairment loss of trade receivables.

STATEMENT OF FINANCIAL POSITION FOR THE GROUP

Net assets attributable to owners of the Company

As at 31 December 2021, the net assets attributable to owners of the Company amounted to \$80.0 million, which translates to a net asset value per ordinary share of 56.89 cents.

Non-current assets

Non-current assets increased by \$1.2 million to \$55.7 million (31 December 2020: \$54.5 million). The increase was mainly due to: -

- a) Increase in investment properties of \$6.4 million as a result of reclassification of a subsidiary's leasehold buildings of \$4.1 million from property, plant and equipment to investment properties and change in fair value of investment properties of \$2.3 million;
- b) Increase in investment in associates of \$1.1 million as a result of share of associates' result for the year;

The above is partially offset by: -

- c) Decrease in property, plant and equipment of \$6.1 million mainly due to reclassification of a subsidiary's leasehold buildings of \$4.1 million to investment properties and depreciation charge of \$1.9 million; and
- d) Decrease in intangible assets of \$136,000 and right-of-use assets of \$254,000 as a result of depreciation and amortisation;

Current assets

Current assets increased by \$6.3 million to \$70.3 million (31 December 2020: \$64.0 million). The increase was mainly due to: -

- a) Increase in trade receivables of \$8.6 million in relation to the on-going projects;
- b) Increase in advance payment to suppliers of \$4.3 million;
- c) Increase in fixed and bank deposits and cash and bank balances of \$3.2 million;

The above is partially offset by: -

- d) Decrease in inventories of \$5.1 million due to delivery of products to customers;
- e) Decrease in amount due from related parties of \$3.4 million mainly due to settlement with a non-controlling interest of a subsidiary via a share capital reduction exercise in that subsidiary;
- f) Decrease in other receivables of \$1.4 million mainly due to collection of value-added tax receivable, collections from other receivables and repayment of loan from an investee company.

Current liabilities

Current liabilities increased by \$12.9 million to \$56.5 million (31 December 2020: \$43.6 million). The increase was mainly due to: -

- a) Increase in contract liabilities of \$17.0 million, which were advance consideration received from customers under the on-going projects;
- b) Increase in trade payables of \$7.0 million in line with higher purchases towards the end of year;
- c) Increase in amounts due to related parties of \$498,000;
- d) Increase in provision for taxation of \$247,000 mainly attributable to prior years underprovision of taxation.

The above is partially offset by: -

- e) Decrease in amounts due to banks of \$11.5 million and term loans of \$386,000 due to settlement of trust receipts and repayment of term loans.

Non-current liabilities

Non-current liabilities decreased by \$4.0 million to \$8.8 million (31 December 2020: \$12.8 million) mainly due to repayment of term loans of \$3.1 million and decrease in deferred tax liabilities of (\$745,000).

STATEMENT OF FINANCIAL POSITION FOR THE COMPANY

Non-current assets

Non-current assets decreased by \$5.4 million to \$83.1 million (31 December 2020: \$88.5 million) due mainly to decrease in investment in subsidiaries arising from a share capital reduction exercise of a subsidiary.

Current assets

Current assets decreased by \$991,000 to \$4.4 million (31 December 2020: \$5.3 million). The decrease was mainly due to:

- a) decrease in fixed and bank deposits and cash and bank balances of \$832,000 as a result of release of pledged fixed deposit. Funds were mainly utilised for partial settlement of amounts due to subsidiaries;
- b) decrease in other receivables of \$328,000 mainly due to collections from other receivables and repayment of loan from investee company; partially offset by
- c) increase in amounts due from subsidiaries of \$176,000.

Current liabilities

Current liabilities decreased by \$231,000 to \$1.4 million (31 December 2020: \$1.6 million). The decrease was mainly due to a decrease in amounts due to subsidiaries.

Non-current liabilities

Non-current liabilities decreased by \$7 million to \$8.5 million (31 December 2020: \$15.5 million) mainly due to partial settlement of amounts due to subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOWS

As at 31 December 2021, the Group's cash and cash equivalents, excluding bank deposits pledged, amounted to \$11.4 million. In FY2021, operating activities generated cash of \$19.6 million and financing activities utilised cash of \$15.2 million.

The net cash generated from operating activities was mainly due to positive operating cash flows and working capital movement of decrease in inventories and trade and other receivables, increase in trade and other payables and contract liabilities, partially offset by an increase in advance payment to suppliers.

The net cash used in financing activities was mainly due to the net repayment of trust receipts and term loans.

- 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.**

While the COVID-19 pandemic and the shipping and supply chain disruptions pose challenges to the Group's businesses, the recent rise in oil price has resulted in the Group receiving enquiries from regional customers.

The Group announced the procurement project with PT Gunanusa in September 2021. This project is progressing with the bulk of deliveries expected to be completed in the second half of 2022. The Group is working closely with vendors to ensure prompt delivery of materials for the project in the face of challenges brought by the shipping and supply chain disruptions.

The Group has announced the disposal of its property at 11 Tuas Ave 1 which is no longer in use. Upon completion of sale, the proceeds is expected to reduce the Group's borrowings.

- 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 does not have the pre-requisite retained earnings needed to declare a dividend.

- 8. Interested Person Transactions**

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

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

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

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

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

Please refer to paragraph 3.

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

Total Annual Dividend	FY 2021	FY 2020
	S\$'000	S\$'000
Ordinary	–	–
Preference	–	–
Total	–	–

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr. Koh Beng Guan, Don	47	(a) Son of Mr. Koh Kian Kiong, the Executive Chairman and Chief Executive Officer (b) Brother of Ms. Maggie Koh, an Executive Director	Position: Deputy Group Chief Executive Officer Duties: Mr. Don Koh is responsible for the operations of Alton International (S) Pte. Ltd., Alton International (Thailand) Co., Ltd, PT Fedsin Rekayasa Pratama and other Indonesia subsidiaries of the Group.	Mr. Don Koh was re-designated as Deputy Group Chief Executive Officer and stepped down as Executive Director with effective from 1 January 2022.

On behalf of the Board of Directors

Koh Kian Kiong
Executive Chairman & CEO

Maggie Koh
Executive Director

Singapore
28 February 2022