



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

**Unaudited Financial Statements and Dividend Announcement for
the Third Quarter and Nine Months ended
30 September 2017**

2 November 2017

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

Third Quarter Financial Year 2017 Financial Statements and Dividend Announcement

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 THIRD QUARTER ("3Q2017") AND PERIOD ENDED 30 SEPTEMBER 2017

		Group			Group		
		3 Months Ended		Changes	9 Months Ended		Changes
		30.09.17	30.09.16		30.09.17	30.09.16	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
INCOME STATEMENT							
Revenue		42,391	26,454	60.2	107,568	68,029	58.1
Cost of sales		(36,373)	(22,104)	64.6	(90,704)	(53,687)	68.9
Gross profit		6,018	4,350	38.3	16,864	14,342	17.6
Gross profit margin		14.2%	16.4%		15.7%	21.1%	
Other income	(i)	892	3,541	(74.8)	1,849	4,675	(60.4)
Selling and distribution costs		(1,316)	(1,605)	(18.0)	(3,920)	(5,728)	(31.6)
Administrative and general costs		(3,076)	(3,882)	(20.8)	(8,818)	(9,356)	(5.8)
Other operating expenses	(ii)	(646)	(1,001)	(35.5)	(1,804)	(129)	N.M.
Finance costs	(iii)	(303)	(160)	89.4	(757)	(421)	79.8
Share of results of associates		175	571	(69.4)	444	1,577	(71.8)
Profit before tax	(iv)	1,744	1,814	(3.9)	3,858	4,960	(22.2)
Income tax expense		(422)	(806)	(47.6)	(1,092)	(1,150)	(5.0)
Profit for the period		1,322	1,008	31.2	2,766	3,810	(27.4)
Attributable to:							
Owners of the Company		1,453	1,130	28.6	3,085	3,563	(13.4)
Non-controlling interests		(131)	(122)	7.4	(319)	247	N.M.
		1,322	1,008	31.2	2,766	3,810	(27.4)

N.M. – Not Meaningful

	Group			Group		
	3 Months Ended		Changes	9 Months Ended		Changes
	30.09.17	30.09.16		30.09.17	30.09.16	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
STATEMENT OF COMPREHENSIVE INCOME						
Profit net of tax	1,322	1,008	31.2	2,766	3,810	(27.4)
Other comprehensive income:						
Items that will not be reclassified subsequently to profit or loss						
Net surplus on revaluation of freehold/leasehold land and building	–	–	N.M.	–	88	N.M.
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation	(309)	496	(162.3)	(689)	374	N.M.
Foreign currency translation on loss of control reclassified to profit and loss	–	–	N.M.	408	–	N.M.
Other comprehensive income/(loss) for the period, net of tax	(309)	496	(162.3)	(281)	462	(160.8)
Total comprehensive income for the period	1,013	1,504	(32.6)	2,485	4,272	(41.8)
Total comprehensive income attributable to:						
Owners of the Company	1,221	1,582	(22.8)	2,921	4,162	(29.8)
Non-controlling interests	(208)	(78)	166.7	(436)	110	N.M.
	1,013	1,504	(32.6)	2,485	4,272	(41.8)

N.M. – Not Meaningful

Notes:

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

	3 Months Ended		9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	S\$'000	S\$'000	S\$'000	S\$'000
Share of profits from partnership	–	–	143	184
Foreign exchange gain	–	226	–	–
Gain on disposal of property, plant and equipment	–	12	8	13
Implicit interest income	1	1	3	4
Interest income	690	168	1,093	262
Interest income from a related party	–	–	–	158
Forfeiture of partial proceeds for disposal of an associate	–	–	–	713
Service fees	–	2,986	–	2,986
Sundry income	201	148	602	355
	892	3,541	1,849	4,675

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

	3 Months Ended		9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for slow moving inventories	288	586	288	586
Bad debts recovered	(10)	–	(10)	–
Foreign exchange loss	368	–	1,246	446
Impairment loss on amount due from associates	9	11	17	43
Impairment loss on doubtful receivables	–	114	–	175
Inventories written off	–	34	10	70
Loss on disposal of a subsidiary	–	–	292	–
Write back of impairment loss on doubtful receivables	(11)	–	(52)	(1,417)
Reversal of accruals and provisions for vessel disposed	–	–	–	(137)
Others	2	256	13	363
	646	1,001	1,804	129

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

	3 Months Ended		9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	S\$'000	S\$'000	S\$'000	S\$'000
Interest expense on:				
- Bank overdrafts	19	47	83	71
- Term loans	110	58	252	225
- Trust receipts	174	55	422	125
	303	160	757	421

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

	3 Months Ended		9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation and amortisation	518	522	1,567	1,578

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 30.09.17	As At 31.12.16	As At 30.09.17	As At 31.12.16
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	31,631	33,426	1	2
Investment in subsidiaries	–	–	76,304	76,558
Investment in associates	4,794	4,611	732	732
Intangible assets	1,820	1,923	–	–
Other investments	558	558	538	538
Other receivables	13,093	13,092	13,022	13,022
Amount due from a related party	6,301	6,714	–	–
Amounts due from subsidiaries	–	–	4,660	4,966
Amount due from an associate	4,660	4,966	–	–
Financial receivable	796	816	–	–
Deferred tax assets	584	626	–	–
	64,237	66,732	95,257	95,818
Current assets				
Inventories	15,005	15,012	–	–
Trade and other receivables	68,365	38,077	25	58
Gross amount due from customer for construction work-in-progress	64	1	–	–
Advance payment to suppliers	3,721	2,997	–	–
Prepayments	408	338	34	16
Deposits	69	80	4	8
Financial receivable	117	552	–	–
Amounts due from subsidiaries	–	–	5,529	7,161
Amounts due from associates	3,314	3,695	49	50
Fixed and bank deposits	1,426	1,517	1,393	1,484
Cash and bank balances	6,412	15,502	112	197
	98,901	77,771	7,146	8,974
Current liabilities				
Trade and other payables	28,420	27,719	807	944
Provisions	3,998	4,911	–	–
Advance payment from customers	919	3,115	–	–
Amounts due to subsidiaries	–	–	1,229	1,276
Amounts due to associates	256	202	246	192
Amount due to a related party	2,016	2,034	–	–
Amounts due to bankers	39,293	22,170	–	–
Term loans	6,622	5,001	–	–
Provision for taxation	3,498	3,206	–	11
	85,022	68,358	2,282	2,423
Net current assets	13,879	9,413	4,864	6,551
Non-current liabilities				
Term loans	2,741	–	–	–
Amounts due to subsidiaries	–	–	21,671	23,093
Provision for post employment benefits	107	115	–	–
Deferred tax liabilities	2,041	2,041	–	–
	4,889	2,156	21,671	23,093
Net assets	73,227	73,989	78,450	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 30.09.17 S\$'000	As At 31.12.16 S\$'000	As At 30.09.17 S\$'000	As At 31.12.16 S\$'000
Equity attributable to owners of the Company				
Share capital	144,099	144,099	144,099	144,099
Foreign currency translation reserve	(4,739)	(4,575)	-	-
Capital reserve	5	5	-	-
Revaluation reserve	16,460	16,460	-	-
Other reserves	(976)	(976)	-	-
Accumulated losses	(69,036)	(69,306)	(65,649)	(64,823)
	85,813	85,707	78,450	79,276
Non-controlling interests	(12,586)	(11,718)	-	-
Total equity	73,227	73,989	78,450	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 30.09.17 S\$'000		As at 31.12.16 S\$'000	
Secured	Unsecured	Secured	Unsecured
45,915	-	27,171	-

Amount repayable after one year

As at 30.09.17 S\$'000		As at 31.12.15 S\$'000	
Secured	Unsecured	Secured	Unsecured
2,741	-	-	-

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 9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit before tax	1,744	1,814	3,858	4,960
<u>Adjustments for:</u>				
Amortisation of intangible assets	34	–	102	–
Depreciation of property, plant and equipment	484	522	1,465	1,578
Gain on disposal of property, plant and equipment	–	(12)	(8)	(13)
Loss on disposal of a subsidiary (Note A)	–	–	292	–
Impairment loss on amount due from associates	9	11	17	43
Implicit interest income	(1)	(1)	(3)	(4)
Interest expense	303	160	757	421
Interest income	(690)	(168)	(1,093)	(420)
Share of results of associates	(175)	(571)	(444)	(1,577)
Write back of impairment loss on doubtful other receivables	–	–	–	(1,400)
Forfeiture of partial proceeds for disposal of an associate	–	–	–	(713)
Exchange (gain)/loss	(619)	(6)	(1,021)	140
Operating cash flows before changes in working capital	1,089	1,749	3,922	3,015
<u>(Increase)/decrease in:</u>				
Inventories	(53)	2,127	40	1,521
Trade and other receivables	(13,157)	326	(31,959)	676
Gross amount due from customer for construction work-in-progress	8	371	(63)	(270)
Financial receivable	105	105	425	448
Advance payment to suppliers	3,609	2,048	(772)	44
Prepayments	256	(261)	(70)	(207)
Deposits	(3)	24	9	(15)
Amounts due from associates	439	(15,434)	259	(24,325)
<u>(Decrease)/increase in:</u>				
Trade and other payables	(8,781)	3,653	1,111	5,716
Gross amount due to customer for construction work-in-progress	–	(1)	–	(4)
Advance payment from customers	(3,115)	(636)	(215)	308
Advance payment from associates	–	(1,024)	–	(1,093)
Amounts due to associates	65	–	55	–
Amount due to a related party	(17)	1	24	(67)
Provisions	(516)	–	(621)	–
Provision for post employment benefits	(4)	14	(8)	14
Cash flows used in operations	(20,075)	(6,938)	(27,863)	(14,239)
Income taxes paid	(231)	(1,617)	(863)	(3,563)
Net cash flows used in operating activities	(20,306)	(8,555)	(28,726)	(17,802)

	Group		Group	
	For 3 Months Ended		For 9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities:				
Additions to intangible assets	–	(664)	–	(696)
Interest income received	712	90	773	96
Dividend received from an associate	29	–	29	31
Payments made to suppliers for conversion of a vessel	–	(51)	–	(405)
Purchase of property, plant and equipment	(18)	(100)	(117)	(245)
Proceeds from disposal of property, plant and equipment	–	21	8	22
Shareholder loan to an associate (net)	–	(2,359)	(118)	(4,388)
Net cash flows generated from / (used in) investing activities	723	(3,063)	575	(5,585)
Cash flows from financing activities:				
Dividend paid	–	–	(2,815)	(2,111)
Interest expense paid	(280)	(160)	(704)	(404)
Proceeds from / (repayment of) secured bank overdrafts	90	123	(1,046)	2,755
Drawdown of term loans	623	5,326	6,045	7,378
Repayment of term loans	(559)	(1,449)	(1,689)	(3,837)
Decrease in restricted deposits	–	–	3	–
Increase in trust receipts	9,973	3,434	19,929	9,944
Net cash generated from financing activities	9,847	7,274	19,723	13,725
Net decrease in cash and cash equivalents	(9,736)	(4,344)	(8,428)	(9,662)
Effect of exchange rate changes on cash and cash equivalents	(27)	116	(661)	(390)
Cash and cash equivalents at beginning of period	16,243	10,027	15,569	15,851
Cash and cash equivalents at end of the period	6,480	5,799	6,480	5,799

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

	Group	
	For 9 Months Ended	
	30.09.17	30.09.16
	S\$'000	S\$'000
Cash and cash equivalents at the end of the period:		
Cash and bank balances and fixed deposits	7,838	10,320
Less: Bank deposits pledged	(1,358)	(4,521)
Cash and cash equivalents	6,480	5,799

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

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

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

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

The Company	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
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

- 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 9 months ended 30 September 2017.

As at 30 September 2017 and 31 December 2016 respectively, the Company did not have any convertible securities.

As at 30 September 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.**

	30.09.17	31.12.16
Total number of issued shares (excluding treasury shares)	140,767,484	140,767,484

As at 30 September 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 period, the Group adopted the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on 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		9 Months Ended	
	30.09.17	30.09.16	30.09.17	30.09.16
	Cents	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares in issue	1.03	0.80	2.19	2.53
(ii) On a fully diluted basis	1.03	0.80	2.19	2.53

The weighted average number of shares for the 3 months and 9 months ended 30 September 2017 were 140,767,484 (3 months and 9 months ended 30 September 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 30.09.17	60.96	55.73
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 30 September 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

9M2017 versus 9M2016

Overview

The Group recorded a net profit attributable to shareholders of \$3.1 million and earnings per ordinary share of 2.19 cents for 9M2017.

Revenue

Revenue of \$107.6 million was 58% higher than the revenue for 9M2016 of \$68.0 million due to sales from Trading business.

Gross profit

Gross profit of \$16.9 million was 18% higher than the gross profit for 9M2016 of \$14.3 million. The increase was due to higher revenue recorded in 9M2017. However, gross profit margin declined to 15.7% due to lower margins on sales for certain projects under the Trading business segment.

Other income

Other income of \$1.8 million was 60% lower than the other income for 9M2016 of \$4.7 million. The other income for 9M2017 comprised mainly late payment interest charged to customers amounting to \$1.1 million and sundry income of \$602,000. Sundry income relates mainly to property rental and other miscellaneous income.

The other income for 9M2016 related mainly to the following:

- a) Service fees of \$3 million charged to a former associate for services rendered in relation to a project;
- b) Forfeiture of partial proceeds received in relation to the disposal of an associate of \$713,000. The proceeds received were for the sale of the shares in an associate. Please refer to the Company's announcement on 27 April 2016 for further information; and
- c) Interest income from a related party of \$158,000.

Selling and distribution costs

Selling and distribution costs of \$3.9 million were 32% lower than the costs incurred in 9M2016 of \$5.7 million. The decrease was due mainly to lower sales to customers in People's Republic of China and lower marketing related expenses.

Administrative and general costs

Administrative and general costs of \$8.8 million were 6% lower compared to the costs incurred in 9M2016 of \$9.4 million. The decrease was due mainly to absence of costs incurred in relation to services provided to a former associate recorded in 9M2016, partially offset by higher professional and consulting fees incurred in relation to the Group's operations in Indonesia and legal fee in relation to legal cases.

Other operating expenses

Other operating expenses of \$1.8 million was higher than expenses in 9M2016 of \$129,000. Higher other operating expenses in 9M2017 was mainly due to:

- a) Lower write back of impairment loss on doubtful receivables by \$1.4 million;
- b) Higher net foreign exchange loss by \$800k;
- c) Loss on disposal of a subsidiary of \$292,000 relating to the winding up of GV Oilfield Engineering Pvt Ltd. Please refer to the Company's announcements dated 27 August 2010 and 17 April 2017 for further information; and
- d) Absence of reversal of accruals and provisions for vessel disposed of \$137,000.

The increase was partially offset by lower other expenses by \$350,000 which mainly related to vessel expenses and land rig maintenance, lower allowance for slow moving inventories by \$298,000 and impairment loss on doubtful receivables of \$175,000.

Finance costs

Finance costs of \$757,000 were higher than the costs incurred in 9M2016 of \$421,000. 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 \$444,000 were 72% lower than 9M2016 due mainly to share of loss recorded by an associate company in Japan.

Income tax expense

Income tax expense of \$1.1 million related to provisions made for the current period tax expense.

3Q2017 vs 3Q2016**Overview**

The Group recorded a net profit attributable to shareholders of \$1.5 million and earnings per ordinary share of 1.03 cents for 3Q2017.

Revenue

Revenue for 3Q2017 increased by 60% to \$42.4 million on the back of higher revenue recorded under the Trading business segment.

Gross profit

Gross profit of \$6 million was higher than the gross profit for 3Q2016 of \$4.4 million. The increase was due to higher revenue recorded in 3Q2017. However, gross profit margin for 3Q2017 declined to 14.2% due to lower margins on sales for certain projects under the Trading business segment.

Other income

Other income of \$892,000 was 75% lower than the other income for 3Q2016 of \$3.5 million. The other income for 3Q2017 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 3Q2016 related mainly to service fees of \$3 million charged to a former associate for services rendered in relation to a project and foreign exchange gain of \$226,000.

Selling and distribution costs

Selling and distribution costs of \$1.3 million were 18% lower than the costs incurred in 3Q2016 of \$1.6 million. The decrease was due mainly to lower sales to customers in People's Republic of China and lower marketing related expenses.

Administrative and general costs

Administrative and general costs of \$3.1 million were 21% lower compared to the costs incurred in 3Q2016 of \$3.9 million. The decrease was due mainly to absence of costs incurred in relation to services provided to a former associate recorded in 3Q2016, partially offset by higher professional and consulting fees incurred in relation to the Group's operations in Indonesia, legal fee in relation to legal cases and travelling expenses.

Other operating expenses

Other operating expenses of \$646,000 were 36% lower than expenses of \$1 million recorded in 3Q2016. Higher other operating expenses for 3Q2016 comprised mainly:

- a) Higher allowance for slow moving inventories by \$298,000;
- b) Impairment loss on doubtful receivables of \$114,000; and
- c) Other expenses of \$256,000 which mainly related to vessel expenses.

This was however partially offset by foreign exchange loss of \$368,000 recorded in 3Q2017.

Finance costs

Higher finance costs of \$303,000 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 associates of \$175,000 for 3Q2017 were 69% lower than 3Q2016 due mainly to share of loss recorded by an associate company in Japan.

Income tax expense

Income tax expense of \$422,000 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 30 September 2017, the net assets attributable to owners of the Company amounted to \$85.8 million, which translates to a net asset value per ordinary share of 60.96 cents.

Non-current assets

Non-current assets decreased by \$2.5 million to \$64.2 million. The decrease was due mainly due to:

- a) Decrease in property, plant and equipment (-\$1.8 million) due mainly to recognition of depreciation charge for the period and foreign exchange translation differences; and
- b) Decrease in amount due from a related party (-\$413,000) and amount due from an associate (-\$306,000) due to foreign exchange translation differences arising from a weaker USD as compared to the SGD.

Current assets

Current assets increased by \$21.1 million to \$98.9 million. The increase was due mainly to:

- a) Increase in trade and other receivables (+\$30.3 million) due to an increase in trade receivables from Trading business; and

- b) Increase in advance payment to suppliers (+\$724,000).

The increase was partially offset by decrease in cash and bank balances (-\$9.1 million), amounts due from associates (-\$381,000) and financial receivables (-\$435,000).

Current liabilities

Current liabilities increased by \$16.6 million to \$85 million. The increase was due mainly to:

- a) Increase in amounts due to bankers (+\$17.1 million) due to increase in trade facilities utilised to finance on-going projects;
- b) Increase in term loans (+\$1.6 million);
- c) Increase in trade and other payables (+\$701,000); and
- d) Increase in provision for taxation (+292,000) mainly arising from current year's provision, partially offset by taxes paid.

The increase was partly offset by:

- a) Decrease in advance payment from customers (-\$2.2 million); and
- b) Provision (-\$913,000) mainly as a result of payment of penalty for late delivery of a vessel and foreign exchange translation differences caused by a weaker USD.

Non-current liabilities

Non-current liabilities increased by \$2.7 million to \$4.9 million, mainly due to an increase in term loans of \$2.7 million.

STATEMENT OF FINANCIAL POSITION FOR THE COMPANY

Non-current assets

Non-current assets decreased by \$561,000 to \$95.3 million. The decrease was due to lower amounts due from subsidiaries (-\$306,000) and investment in subsidiaries (-\$254,000) arising from a weaker USD.

Current assets

Current assets decreased by \$1.8 million to \$7.1 million. The decrease was due mainly to a decrease in amounts due from subsidiaries (-\$1.6 million) due to receipt of dividend from a subsidiary.

Current liabilities

Current liabilities decreased by \$141,000 to \$2.3 million. The decrease was due mainly to lower trade and other payables (-\$137,000) as a result of lower accrued staff related costs.

Non-current liabilities

Non-current liabilities decreased by \$1.4 million to \$21.7 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 30 September 2017, the Group's cash and cash equivalents, excluding pledged deposits, amounted to \$6.5 million. For the 9 months ended 30 September 2017, operating activities utilised cash of \$28.7 million, whereas investing activities and financing activities generated net cash of \$575,000 and \$19.7 million respectively.

The net cash utilised by operating activities was due mainly to the net increase in trade and other receivables, advance payment to suppliers and decrease in provisions, which was

partially offset by an increase in trade and other payable and decrease in financial receivables.

The net cash provided by investing activities was due mainly to interest income received, partially reduced by loans to an associate and addition to property, plant and equipment.

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 2Q2017 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 focus on forming strategic partnerships in order to strengthen its competitiveness in the trading business as well as 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?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividends have been declared or recommended.

13. Interested Person Transactions

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

14. Negative Assurance Confirmation Statement on Interim Financial Statements

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the interim financial statements for the period ended 30 September 2017, to be false or misleading in any material aspect.

15. 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

2 November 2017