

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

Unaudited Financial Statements and Dividend Announcement for the First Quarter ended 31 March 2014

9 May 2014

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

First Quarter Financial Year 2014 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 FIRST QUARTER ("1QFY2014")

		◀	— Group —	
		3 Months Ended		
		31.03.14	31.03.13	Changes
		S\$'000	S\$'000	%
			(Restated)	
INCOME STATEMENT				
Revenue		22,034	20,311	8.5
Cost of sales		(17,133)	(12,785)	34.0
Gross profit		4,901	7,526	(34.9)
Gross profit margin		22.2%	37.1%	
Other operating income	(i)	4,137	488	N.M.
Selling and distribution costs		(1,877)	(2,270)	(17.3)
Administrative and general costs		(2,181)	(3,243)	(32.7)
Other operating expenses	(ii)	90	(48)	N.M.
Finance costs	(iii)	(856)	(951)	(10.0)
Share of results of associates		85	(197)	(143.1)
Profit before tax	(iv)	4,299	1,305	229.4
Income tax credit/(expense)		58	(219)	N.M.
Profit for the period		4,357	1,086	301.2
Attributable to:				
Owners of the Company		2,912	1,178	147.2
Non-controlling interests		1,445	(92)	N.M.
-		4,357	1,086	301.2

N.M. – Not Meaningful

	Group ———		
	3 Month	3 Months Ended	
	31.03.14	31.03.13	Changes
	S\$'000	S\$'000	%
STATEMENT OF COMPREHENSIVE INCOME Profit net of tax	4,357	1,086	N.M.
Other comprehensive income: Items that are or may be reclassified subsequently to profit or loss Foreign currency translation represents other comprehensive income for the period, net of tax			
	(192)	(60)	N.M.
Share of other comprehensive income of an associate	1	(1)	(200.0)
Other comprehensive loss for the period, net of			, , , , , , , , , , , , , , , , , , ,
tax	(191)	(61)	N.M.
Total comprehensive income for the period	4,166	1,025	N.M.
Total comprehensive income attributable to:			
Owners of the Company	2,981	1,057	182.0
Non-controlling interests	1,185	(32)	N.M.
	4,166	1,025	N.M.

N.M. – Not Meaningful

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

JINOIILI	ns Ended
31.03.14	31.03.13
S\$'000	S\$'000 (Restated)
325	369
_	2
3,581	-
42	37
9	4
180	76
4,137	488
	31.03.14 \$\$'000 325 - 3,581 42 9 180

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

	3 Months Ended		
	31.03.14	31.03.13	
	S\$'000	S\$'000 (Restated)	
Allowance for slow moving inventories	-	35	
Depreciation (Assets not in use)	-	233	
Impairment loss on doubtful receivables	41	_	
Other expenses	-	29	
Vessel expenses	_	10	
Write back of impairment loss on doubtful receivables	(131)	(259)	
	(90)	48	

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

	3 Month	3 Months Ended	
	31.03.14	31.03.13	
	S\$'000	S\$'000	
terest expense on:			
Bank overdrafts	14	67	
Hire purchase	2	6	
Term loans	731	793	
Trust receipts	109	85	
•	856	951	

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

	3 Months Ended		
	31.03.14 31.03.13		
	S\$'000	S\$'000	
Depreciation and amortisation	497	442	

1(a)(v) Comparative figures

Prior year reclassification has been made to reclassify write back of impairment loss on doubtful receivables from other income to other operating expenses to better reflect the nature of the transactions.

		3 Months Ended			
	31.03.13				
	S\$'000 (Previously reported)	S\$'000	S\$'000 (Restated)		
INCOME STATEMENT Other operating income Other operating expenses	747 (307)	(259) 259	488 (48)		

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

As At Non-current assets: Property, plant and equipment 38,900 \$8,000<		Gr	oup	Com	nany
Non-current assets: S\$ 000					
Non-current assets: Image: Construction Solution Solution <th< th=""><th></th><th>31.03.14</th><th>31.12.13</th><th>31.03.14</th><th>31.12.13</th></th<>		31.03.14	31.12.13	31.03.14	31.12.13
Property, plant and equipment investment in associates 38,190 35,859 8 9 Investment in associates 10,190 10,159 4,494 4,494 Inagulie assets 2 1 - - - Other investment 22 20 - - - Other receivables 19,25 19,858 19 19 Deterect tax assets 24,538 22,930 - - Inventories 24,538 22,930 - - Inventories 24,753 36,076 5 4 Advance payments 296 5.8 18 18 Deposits 117 7.7 - - - Amounts due from subsidiaries 112 110 4 4 Financial receivables 623 683 12 1.28 20,558 Amounts due from subsidiaries 112 110 4 4 4 4 Finanal receivables 15,404 5,848 </th <th></th> <th>S\$'000</th> <th>S\$'000</th> <th>S\$'000</th> <th>S\$'000</th>		S\$'000	S\$'000	S\$'000	S\$'000
Investment Document B8.309 78.613 Investment 2 1 -	Non-current assets:				
Investment in associates 10,190 10,199 4,494 4,494 Cher investment 22 20 - - - Other investment 22 20 - - - Other receivables 19,225 1,958 - - - Current assets: 343 312 19 19 19 Current assets: 48,732 48,371 92,830 83,135 Current assets: 24,533 33,076 5 4 Asset under construction 45,029 42,969 - - - Advance payment to suppliers 10,0 7,775 - - - - Advance payment to suppliers 623 683 - <td< td=""><td></td><td>36,190</td><td>35,859</td><td>-</td><td>-</td></td<>		36,190	35,859	-	-
Intraciple assets 2 1 - - Other investment 22 20 - - - Other investment 1,925 1,956 - - - Deferred tax assets 3,43 3,12 19 19 Current assets 48,732 48,371 22,800 83,135 Current assets 48,732 48,371 22,900 - - Inventories 24,636 22,930 - - - Trade and other receivables 29,753 35,076 5 4 Gross amount due from outsomer for work-in-progress 107 77 - - - Anounts due from associates 643 11,289 20,355 - <td></td> <td>-</td> <td>-</td> <td>88,309</td> <td></td>		-	-	88,309	
Other investment 22 20 - - Financial receivables 1,925 1,958 - - Deferred tax assets 3,32 2,830 83,135 Current assets: 48,732 48,371 92,830 83,135 Current assets: 48,732 48,371 92,830 83,135 Current assets: 48,732 48,371 92,830 83,135 Current assets: 24,636 22,930 - - Asset under construction 45,029 42,636 - - Trade and other receivables 29,753 35,076 5 4 Financial receivables 107 77 - - - Advance payment to suppliers 13,033 2,518 - - - Anount due from associates 414 454 22 435 Amount due from associates 14,696 19,706 446 1,743 Assets of disposal group classified as held for sale 127,319 - -		,	10,159	4,494	4,494
Other receivables 60 62 - - Deferred tax assets 343 312 19 19 Current assets: 343 312 19 19 Asset under construction 48,732 48,373 92,830 83,135 Current assets: 24,636 22,930 - - Advance payments 29,653 316,76 5 4 Gross amount due from customer for work-in-progress 107 7.7 - - Anounts due from subdidaries 623 683 1.8 18 18 Anounts due from associates 6,414 6,454 2.2 46 1,269 Anount due from associates 14,668 19,706 4.46 1,289 1,290 3,463 Anount due from associates 14,688 19,706 4.46 1,743 3,463 Assets of disposal group classified as held for sale 13,613 122,719 13,064 23,463 Advance payment from outsomers 13,088 2,3163 -				-	_
Financial receivables 1.925 1.958 - - Deferred tax assets 48,371 92,830 83,135 Current assets: 48,732 48,871 92,830 83,135 Asset under construction 45,029 42,669 - - Inventories 24,636 22,930 - - Advance payment to suppliers 13,038 2,519 - - Advance payment to suppliers 13,038 2,519 - - Amounts due from subscitates 112 110 4 4 Prepayments 296 58 18 18 Deposits 112 110 4 4 Financial receivables - - - - Amounts due from subscitates 14,894 122 446 1,240 Cash and bank balances 1,689 19,706 446 1,2463 Assets of disposal group classified as held for sale - 27,999 - - Current liabilit			-	-	-
Deferred tax assets 343 312 19 19 Current assets: 48,732 48,371 92,830 83,135 Asset under construction 1/2 42,669 - - Inventories 24,636 22,930 - - Advance payments 29,753 35,076 5 4 Deposits 112 10 4 4 Financial receivables 623 683 - - Amounts due from subsidiaries - 11.289 20,359 Amounts due from asociates 414 454 22 45 Amount due from asociates 14,696 19,706 446 1,743 Assets of disposal group classified as held for sale - <td></td> <td></td> <td></td> <td></td> <td>-</td>					-
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Asset under construction 45,029 42,969 - - Trade and other receivables 29,753 35,076 5 4 Gross amount due from customer for work-in-progress 10,038 2,519 - - Advance payment to suppliers 13,038 2,519 - - - Prepayments 122 110 4 4 4 Deposits 112 110 4 4 4 Amounts due from associates 414 454 122 45 Amount due from associates 14,496 19,706 4,466 1,743 Amount due from associates 14,696 19,706 4,464 1,743 Assets of disposal group classified as held for sale - 27,399 - - Current labilities: - 20,92,9 28,443 2,350 2,016 Advance payment from associate 1,508 2,279 - - - Advance payment from associate 1,508 2,276 - -		48,732	48,371	92,830	83,135
Inventories 24.636 22.930 - - Trade and other receivables 29.753 35.076 5 4 Gross amount due from customer for work-in-progress 107 777 - - Advance payments 296.658 18 18 Deposits 226 58 18 18 Amounds due from subsidiaries - - - - Amounds due from associates 414 454 22 455 Amound to from a trelated party 5,840 5,886 2 - Fixed deposits 1,569 1,603 1,280 1,290 Cash and bank balances 1,568 1,30.64 23,463 Assets of disposal group classified as held for sale 2,739 - - Current liabilities: - 27,392 2,443 2,350 2,016 Advance payment from customers 1,508 2,279 - - - Advance payment from associate 1,30.86 1,311 - -					
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Advance payment to suppliers 13.038 2.519 - Prepayments 226 58 18 18 Deposits 112 110 4 4 Financial receivables 623 683 - - Amounts due from associates 414 454 22 20,359 Amount due from associates 414 454 22 455 Amount due from associates 14,696 19,706 446 1,743 Assets of disposal group classified as held for sale - - - - Current liabilities: 13,088 13,091 - - - Trade and other payables 13,083 13,191 - - - - Advance payment from customers 1,508 2,279 -		,	,	-	-
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Amounts due from subsidiaries - - - 11.289 20,359 Amounts due from associates 414 454 22 45 Amount due from a related party 5,840 5,880 1,280 1,290 Cash and bank balances 14,896 19,706 446 1,743 Assets of disposal group classified as held for sale - - - - Current liabilities: - 136,133 132,071 13,064 23,463 Advance payment from customers 1,508 2,279 - - - Advance payment from customers 1,308 13,191 - - - Amount due to subsidiaries 852 942 783 789 - - Amount due to asleted party 1,753 1,803 -<			-	-	4
Amounts due from associates 414 454 22 45 Amount due from a related party 5.840 5.866 - - Fixed deposits 1,589 1,603 1,280 1,280 Cash and bank balances 136,133 132,071 13,064 22,463 Assets of disposal group classified as held for sale - 27,399 - - Current liabilities: 136,133 139,470 13,064 22,463 Trade and other payables 1,508 2,179 - - Advance payment from customers 1,508 13,191 - - Advance payment from associate 13,088 13,191 - - - Amounts due to subsidiaries - - 852 942 783 789 Amounts due to associates 852 942 783 789 - - - - - - - - - - - - - - - - -		623	683		-
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Cash and bank balances 146.696 19.706 446 1.743 Assets of disposal group classified as held for sale - 27.399 - - Current liabilities: 136.133 132.071 13.064 23.463 Advance payment from customers 1.508 2.279 -		,	,	4 000	4 000
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Assets of disposal group classified as held for sale - 27,399 - - Current liabilities: 136,133 159,470 13,064 23,463 Current liabilities: 29,829 28,443 2,350 2,016 Advance payment from customers 1,508 2,279 - - Advance payment from customers 13,088 13,191 - - Deferred revence 20 - - - - Amounts due to a selated party 1,753 1,803 - - - Amounts due to a selated party 1,753 1,803 -	Cash and Dank Dalances			-	1
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Current liabilities: 29,829 28,443 2,350 2,016 Advance payment from customers 1,508 2,279 - - Advance payment from customers 13,088 13,191 - - Advance payment from a associate 20 - - - Deferred revenue - 20 - - - Amounts due to associates 852 942 783 789 Amounts due to ascociates 852 942 783 789 Amounts due to ascociates 29,941 23,524 - - Term loans 26,581 27,545 - - Hire purchase creditors 45 6,733 3,599 3,324 Liabilities directly associated with disposal group classified as held for sale - - - Term loans - 3,516 3,741 - - Term loans - 5 5 - - Term loans - - - -	Assets of disposal group classified as held for sale	400 400	,	-	-
Trade and other payables 29,829 28,443 2,350 2,016 Advance payment from an associate 1,508 2,279 - - Deferred revenue - 20 - - - Amounts due to subcidiaries 852 942 783 789 Amounts due to associates 852 942 783 789 Amounts due to associates 852 942 783 789 Amounts due to associates 852 942 783 789 Amounts due to bankers 29,941 23,524 - - Term loans 45 45 - - - Provision for income tax 4,831 6,733 3,599 3,324 Liabilities directly associated with disposal group classified as held for sale - - - Term loans - 3,516 3,741 - - Non-current liabilities: - - - - - Term loans - - - - - - Non-current liabilities	Opened the bill the e	130,133	159,470	13,064	23,403
Advance payment from customers 1.508 2.279 - - Advance payment from an associate 13.088 13.191 - - - Deferred revenue - 20 -		20,820	20,442	2.250	2.016
Advance payment from an associate 13,088 13,191 - - Deferred revenue - 20 - - - Amounts due to subsidiaries 852 942 783 789 Amounts due to a subsidiaries 852 942 783 789 Amounts due to a selated party 1,753 1,803 - - Amounts due to a related party 29,941 23,524 - - Amounts due to bankers 26,581 27,545 - - Provision for income tax 4,831 6,733 3,599 3,324 Liabilities directly associated with disposal group classified as held for sale - - - Net current assets 27,705 24,137 5,457 6,153 Non-current liabilities: - - - - Tire purchase creditors 25 37 - - Amount due to a subsidiary - 5 5 - - Provision for post-employment benefits 5 5 - - - Deferred tax liabilities		,	· ·	2,350	2,010
Deferred revenue - 20 - - Amounts due to subsidiaries - - 875 11,181 Amounts due to associates 852 942 783 789 Amounts due to associates 1,753 1,803 - - Amounts due to bankers 29,941 23,524 - - Term loans 26,581 27,545 - - Provision for income tax - 4,831 6,733 3,599 3,324 Itabilities directly associated with disposal group classified as held for sale -				-	-
Amounts due to subsidiaries - - - 875 11,181 Amount due to a sesociates 942 783 789 Amount due to a related party 1,753 1,803 - - Amount due to a related party 1,753 1,803 - - Amount due to a related party 1,753 1,803 - - Amount due to a related party 29,941 23,524 - - Hire purchase creditors 26,581 27,545 - - - Provision for income tax 4.831 6,733 3,599 3,324 Liabilities directly associated with disposal group classified as held for sale - - - Iter purchase creditors 108,428 104,525 7,607 17,310 Net current assets 27,705 24,137 5,457 6,153 Non-current liabilities: - - - - Term loans - 25 37 - - Provision for post-employment benefits		13,000		-	-
Amounts due to associates 882 942 783 789 Amounts due to associates 1,753 1,803 - - Amounts due to bankers 29,941 23,524 - - Term loans 26,581 27,545 - - - Provision for income tax 4,831 6,733 3,599 3,324 Liabilities directly associated with disposal group classified as held for sale -		-	20	975	11 101
Amount due to a related party 1,753 1,803 - - Amounts due to bankers 29,941 23,524 - - Term loans 26,581 27,545 - - Provision for income tax 45 45 - - Liabilities directly associated with disposal group classified as held for sale - - - - 30,808 - - - Net current assets 27,705 24,137 5,457 6,153 Non-current liabilities: - - - - Term loans 3,516 3,741 - - Amount due to a subsidiary - - - - Provision for post-employment benefits 5 5 - - Deferred tax liabilities 1,439 1,439 - - Net assets 71,452 67,286 89,209 89,288 Equity attributable to owners of the Company 144,099 144,099 144,099 144,099 Share capital - - - - - - <td></td> <td>950</td> <td>- 042</td> <td></td> <td></td>		950	- 042		
Amounts due to bankers 29,941 23,524 - - Term loans 26,581 27,545 - - Provision for income tax 4,831 6,733 3,599 3,324 Liabilities directly associated with disposal group classified as held for sale - - - Net current assets 27,705 24,137 5,457 6,153 Non-current liabilities: - - - - Term loans 3,516 3,741 - - Amount due to a subsidiary - - 9,078 - Provision for post-employment benefits 5 5 - - Deferred tax liabilities 1,439 1,439 - - Net assets 71,452 67,286 89,209 89,288 Equity attributable to owners of the Company 144,099 144,099 144,099 - - Share capital - - - - - - Capital reserve 2,778 2,778 - - - - Other reserves <t< td=""><td></td><td></td><td>-</td><td>705</td><td>709</td></t<>			-	705	709
Term loans 26,581 27,545 - - Hire purchase creditors 4,831 6,733 3,599 3,324 Provision for income tax 108,428 104,525 7,607 17,310 Liabilities directly associated with disposal group classified as held for sale -		,		_	
Hire purchase creditors 45 45 - - - Provision for income tax 4,831 6,733 3,599 3,324 Liabilities directly associated with disposal group classified as held for sale - 30,808 - - Net current assets 27,705 24,137 5,457 6,153 Non-current liabilities: - - - - Term loans 3,516 3,741 - - Hire purchase creditors 25 37 - - Amount due to a subsidiary - - - - Provision for post-employment benefits 5 5 - - Deferred tax liabilities - - - - - Net assets 71,452 67,286 89,209 89,288 - Equity attributable to owners of the Company 144,099 144,099 144,099 144,099 144,099 144,099 Share capital - - - - - - - Capital reserve (3,779) (4,383)				_	
Provision for income tax 4,831 6,733 3,599 3,324 Liabilities directly associated with disposal group classified as held for sale - 30,808 - - Net current assets 27,705 24,137 5,457 6,153 Non-current liabilities: - - - - Term loans 3,516 3,741 - - Hire purchase creditors 3,516 3,741 - - Amount due to a subsidiary - - 9,078 - Provision for post-employment benefits 5 5 - - Deferred tax liabilities - 4,985 5,222 9,078 - Net assets 71,452 67,286 89,209 89,288 Equity attributable to owners of the Company 144,099 144,099 144,099 144,099 Share capital reserve (3,779) (4,383) - - - Cher reserves (976) (990) - - - Accumulated losses (72,148) (75,047) (54,890) (54,811) <t< td=""><td></td><td></td><td></td><td>_</td><td>_</td></t<>				_	_
Liabilities directly associated with disposal group classified as held for sale 108,428 104,525 7,607 17,310	•	-	-	3 500	3 3 2 4
Liabilities directly associated with disposal group classified as held for sale - 30,808 -<					
held for sale	Liabilities directly associated with disposal aroun classified as	100,420	104,525	7,007	17,510
Net current assets108,428135,333 $7,607$ $17,310$ Non-current liabilities: Term loans27,70524,137 $5,457$ $6,153$ Non-current liabilities: Term loans $3,516$ $3,741$ $ -$ Hire purchase creditors Amount due to a subsidiary Provision for post-employment benefits Deferred tax liabilities $3,516$ $3,741$ $ -$ Net assets 5 5 $ 9,078$ $-$ Net assets $71,452$ $67,286$ $89,209$ $89,288$ Equity attributable to owners of the Company Share capital Foreign currency translation reserve Capital reserve $144,099$ $144,099$ $144,099$ I 44,092 $144,099$ $144,099$ $144,099$ $144,099$ $144,099$ Cohr reserves Accumulated losses Reserve of disposal group classified as held for sale $ -$ Non-controlling interests $(12,614)$ $(13,799)$ $ -$ Non-controlling interests $(12,614)$ $(13,799)$ $ -$		_	30,808	_	_
Net current assets 27,705 24,137 5,457 6,153 Non-current liabilities: Term loans Hire purchase creditors Amount due to a subsidiary Provision for post-employment benefits Deferred tax liabilities 3,516 3,741 -		108 428		7 607	17 310
Non-current liabilities: 3,516 3,741 - - Hire purchase creditors 3,516 3,741 - - - Amount due to a subsidiary - - 9,078 - - Provision for post-employment benefits 5 5 - - - Deferred tax liabilities 1,439 1,439 - - - Net assets 71,452 67,286 89,209 89,288 Equity attributable to owners of the Company 144,099 144,099 144,099 144,099 Share capital Foreign currency translation reserve 2,778 2,778 - - Capital reserve 2,778 2,778 - - - - Revaluation reserves (976) (990) - - - - - Accumulated losses (72,148) (75,047) (54,800) (54,811) - - - Reserve of disposal group classified as held for sale - 536 -		100,420	100,000	1,001	17,010
Non-current liabilities: 3,516 3,741 - - Hire purchase creditors 3,516 3,741 - - - Amount due to a subsidiary - - 9,078 - - Provision for post-employment benefits 5 5 - - - Deferred tax liabilities 1,439 1,439 - - - Net assets 71,452 67,286 89,209 89,288 Equity attributable to owners of the Company 144,099 144,099 144,099 144,099 Share capital Foreign currency translation reserve 2,778 2,778 - - Capital reserve 2,778 2,778 - - - - Revaluation reserves (976) (990) - - - - - Accumulated losses (72,148) (75,047) (54,800) (54,811) - - - Reserve of disposal group classified as held for sale - 536 -	Net current assets	27 705	24 137	5 457	6 1 5 3
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		21,100	2.,.0.	0,101	0,100
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Non-current liabilities:				
Hire purchase creditors 25 37 $ -$ Amount due to a subsidiary $ 9,078$ $-$ Provision for post-employment benefits 5 5 $ -$ Deferred tax liabilities $1,439$ $1,439$ $ -$ Net assets $1,439$ $1,439$ $ -$ Net assets $71,452$ $67,286$ $89,209$ $89,288$ Equity attributable to owners of the Company Share capital $144,099$ $144,099$ $144,099$ Foreign currency translation reserve $(3,779)$ $(4,383)$ $ -$ Capital reserve $2,778$ $2,778$ $ -$ Revaluation reserve (976) (990) $ -$ Accumulated losses $(72,148)$ $(75,047)$ $(54,890)$ $(54,811)$ Reserve of disposal group classified as held for sale $ 536$ $ -$ Non-controlling interests $(12,614)$ $(13,799)$ $ -$		3.516	3.741	_	_
Amount due to a subsidiary - - 9,078 - Provision for post-employment benefits 5 5 - - Deferred tax liabilities 1,439 1,439 - - Net assets 71,452 67,286 89,209 89,288 Equity attributable to owners of the Company 144,099 144,099 144,099 Share capital 144,099 144,099 144,099 Foreign currency translation reserve 2,778 2,778 - Capital reserve 2,778 2,778 - - Other reserves (976) (990) - - Accumulated losses (72,148) (75,047) (54,890) (54,811) Reserve of disposal group classified as held for sale - 536 - - Non-controlling interests (12,614) (13,799) - - -			,	_	_
Provision for post-employment benefits 5 5 -		-		9.078	-
Deferred tax liabilities 1,439 1,439 - <		5	5	-	_
4,985 5,222 9,078 - Net assets 71,452 67,286 89,209 89,288 Equity attributable to owners of the Company Share capital Foreign currency translation reserve 144,099 144,099 144,099 Foreign currency translation reserve 2,778 - - Capital reserve 2,778 2,778 - Revaluation reserve 14,092 144,099 - Other reserves (976) (990) - - Accumulated losses (72,148) (75,047) (54,890) (54,811) Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 89,288		-	-	_	_
Net assets 71,452 67,286 89,209 89,288 Equity attributable to owners of the Company Share capital Foreign currency translation reserve 144,099 144,099 144,099 Foreign currency translation reserve 2,778 - - Capital reserve 2,778 2,778 - - Revaluation reserve 144,092 144,099 144,099 Other reserves 2,778 - - Accumulated losses (976) (990) - - Reserve of disposal group classified as held for sale - 536 - - Non-controlling interests (12,614) (13,799) - - -				9.078	-
Equity attributable to owners of the Company Share capital 144,099 144,099 144,099 Foreign currency translation reserve (3,779) (4,383) - - Capital reserve 2,778 2,778 - - Revaluation reserve 144,092 144,092 - - Other reserves 144,092 144,092 - - Other reserves (976) (990) - - Accumulated losses (72,148) (75,047) (54,810) (54,811) Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -		,	- /	- /	
Share capital 144,099 144,099 144,099 144,099 Foreign currency translation reserve (3,779) (4,383) - - Capital reserve 2,778 2,778 - - Revaluation reserve 144,092 144,092 - - Other reserves 14,092 144,092 - - Accumulated losses (976) (990) - - Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -	Net assets	71,452	67,286	89,209	89,288
Share capital 144,099 144,099 144,099 144,099 Foreign currency translation reserve (3,779) (4,383) - - Capital reserve 2,778 2,778 - - Revaluation reserve 144,092 144,092 - - Other reserves 14,092 144,092 - - Accumulated losses (976) (990) - - Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -	Equity attributable to owners of the Company				
Foreign currency translation reserve (3,779) (4,383) - - Capital reserve 2,778 2,778 - - Revaluation reserve 14,092 14,092 - - Other reserves (976) (990) - - Accumulated losses (72,148) (75,047) (54,890) (54,811) Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -		144.000	144.000	144.000	114 000
Capital reserve 2,778 2,778 - - Revaluation reserve 14,092 14,092 - - - Other reserves (976) (990) - - - - Accumulated losses (72,148) (75,047) (54,890) (54,811) Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -				144,099	144,099
Revaluation reserve 14,092 14,092 - - Other reserves (976) (990) - - - Accumulated losses (72,148) (75,047) (54,890) (54,811) Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -				-	-
Other reserves (976) (990) - - - Accumulated losses (72,148) (75,047) (54,890) (54,811) Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -				-	-
Accumulated losses (72,148) (75,047) (54,890) (54,811) Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -				-	_
Reserve of disposal group classified as held for sale - 536 - - 84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -				(54 800)	
84,066 81,085 89,209 89,288 Non-controlling interests (12,614) (13,799) - -		(12,140)		(34,090)	(34,611)
Non-controlling interests (12,614) (13,799) – –	Noscive of disposal group classified as field 101 Sale	- 220 Ng		- 80 200	80.285
	Non-controlling interests			09,209	09,200
11,432 01,200 03,209 03,209				80 200	80.266
	i otar c quity	/1,402	01,200	03,209	03,200

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

Amount repayable in one year or less, or on demand

As at 31.03.14 S\$'000		As at 31.12.13 \$\$'000	
Secured	Unsecured	Secured Unsecured	
56,567	-	51,114	-

Amount repayable after one year

As at 31.03.14 S\$'000		As at 31.12.13 \$\$'000	
Secured	Unsecured	Secured Unsecured	
3,533	8	3,769	9

Details of any collaterals

The Group's secured borrowings comprise bank overdrafts, hire purchase creditors, 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) Subsidiary's vessel, namely Federal II;
- (iii) Bank deposits pledged by the Company and its subsidiaries;
- (iv) Corporate guarantee by the Company;
- (v) Personal guarantee by a director of a subsidiary;
- (vi) Subsidiary's inventories; and
- (vii) Shares of a subsidiary.

The Group's hire purchases are secured over mortgages on plant and machinery and motor vehicles of certain subsidiaries.

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.

	Gro	Group	
		ths Ended	
	31.03.14	31.03.13	
	S\$'000	S\$'000	
Cash flows from operating activities:			
Profit before tax	4,299	1,305	
Adjustments for:			
Allowance for slow moving inventories	-	35	
Depreciation of property, plant and equipment	497	442	
Gain on disposal of assets held for sale (Note A)	(3,581)	-	
Gain on disposal of property, plant and equipment	-	(2)	
Implicit interest income	(42)	(37)	
Interest expense	856	951	
Interest income	(9)	(4)	
Share of results of associates	(85)	197	
Share of other comprehensive income of an associate	(1)	1	
Unrealised exchange loss	74	1	
Write-back of impairment loss on doubtful receivables	(131)	(259)	
Operating cash flows before changes in working capital	1,877	2,630	
(Increase)/decrease in:			
Inventories	(1,691)	(2,496)	
Trade and other receivables	5,690	835	
Gross amount due from customer for work-in-progress	(30)	(28)	
Financial receivables	50	71	
Advance payment to suppliers	(10,525)	33	
Prepayments	(171)	(126)	
Deposits	(2)	(2)	
Amounts due from associates	40	(201)	
(Decrease)/increase in:			
Trade and other payables	(7)	(2,306)	
Bills receivables purchase	10,308	_	
Gross amount due to customer for work-in-progress	-	117	
Advance payment from customers	(771)	1,355	
Deferred revenue	(20)	(40)	
Amounts due to associates	(90)	(7)	
Amount due a related party	(20)	(88)	
Cash flows generated from/(used in) operations	4,638	(253)	
Interest income received	8	1	
Interest expense paid	o (494)	(448)	
Income tax paid	(2,012)	(182)	
Net cash generated from/(used in) operating activities	2,140	(182)	
wer cash generated noni/(used in) operating activities	2,140	(002)	

	Gr	oup	
	For 3 Months Ended		
	31.03.14	31.03.13	
	S\$'000	S\$'000	
Cash flows from investing activities:			
Payments made to suppliers for conversion of a vessel	(2,411)	(2,251)	
Purchase of property, plant and equipment	(112)	(33)	
Proceeds from disposal of assets held for sale, net of cash disposed of	(112)	(00)	
(Note A)	(426)	_	
Net cash used in investing activities	(2,949)	(2,284)	
Cash flows from financing activities:			
Proceeds/(repayment) from secured bank overdrafts	2,185	(1,304)	
Repayment of hire obligations under purchase – net	(11)	(46)	
Drawdown of term loans	6,840	13,736	
Repayment of term loans	(7,140)	(11,238)	
Increase in pledged deposits	(949)	(183)	
(Decrease)/increase in trust receipts	(6,046)	2,964	
Net cash (used in)/generated from financing activities	(5,121)	3,929	
Net (decrease)/increase in cash and cash equivalents	(5,930)	763	
Effect of exchange rate changes on cash and cash equivalents	(74)	(1)	
Cash and cash equivalents at beginning of period	19,775	4,209	
Cash and cash equivalents at end of period	13,771	4,971	

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

	Gro	Group		
	For 3 Mon	For 3 Months Ended		
	31.03.14	31.03.13		
	S\$'000	S\$'000		
Cash and cash equivalents at the end of the period:				
Cash and bank balances and fixed deposits	16,285	7,327		
Less: Bank deposits pledged	(2,514)	(2,356)		
Cash and cash equivalents	13,771	4,971		

Note A

As at 12 March 2014, the Group has completed the disposal of its subsidiaries, FEE Water (China-PZH) Ltd and Federal Environmental (Panzhihua) Co., Ltd., which were previously classified as assets held for sale. Details of the disposal as follows:

Effect of disposal on the financial position of the Group	Group
	31.03.14
	S\$'000
Assets:	
Property, plant and equipment	109
Financial receivables	26,478
Inventories	213
Other receivables	75
Prepayment	3
Fixed deposits	412
Cash and bank balances	64
	27,354
Liabilities:	
Trade payables	4,630
Other payables	4,029
Deferred revenue	41
Amount due to a related party	103
Term loans	20,970
Deferred tax liabilities	463
	30,236
Net liabilities derecognised	(2,882)
Consideration received, satisifed in cash	50
Cash and cash equivalents disposed of	(476)
Net cash outflow	(426)
	` <i>,</i>
Gain on disposal:	
Consideration received	50
Net liabilities derecognised	2,882
Cumulative exchange differences in respect of the net liabilities of the subsidiaries	
reclassified from equity on loss of control of subsidiaries	649
	3,581

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.

	•		Attrib	utable to ov	vners of the Com	npany ——				
GROUP	Share capital 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	Total reserves S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Equity, total S\$'000
Balance at 01.01.13	133,624	(79,778)	(3,463)	2,778	9,094	(1,000)	(72,369)	61,255	(12,699)	48,556
Profit / (loss), net of tax Other comprehensive income: Items that may be reclassified subsequently to profit or loss:	-	1,178	-	-	-	-	1,178	1,178	(92)	1,086
Foreign currency translation	-	-	(120)	-	-	-	(120)	(120)	60	(60)
Share of other comprehensive income of an associate	_	_	_	_	-	(1)	(1)	(1)	-	(1)
Total comprehensive income for the period	-	1,178	(120)	-	-	(1)	1,057	1,057	(32)	1,025
Others Transfer from accumulated losses to statutory reserve fund	_	(1)	-	_	_	1	_	_	_	_
Balance at 31.03.13	133,624	(78,601)	(3,583)	2,778	9,094	(1,000)	(71,312)	62,312	(12,731)	49,581

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.

	•		Attri	butable to ow	vners of the Com	pany ——					
GROUP	Share capital 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	Total reserves S\$'000	Equity attributable to owners of the Company S\$'000	Reserve of disposal group classified as held for sale S\$'000	Non- controlling interests S\$'000	Equity, total S\$'000
Balance at 01.01.14	144,099	(75,047)	(4,383)	2,778	14,092	(990)	(63,550)	80,549	536	(13,799)	67,286
Profit, net of tax Other comprehensive income: Items that may be reclassified	-	2,912	-	-	-	_	2,912	2,912	_	1,445	4,357
subsequently to profit or loss: Foreign currency translation Share of other comprehensive income	-	-	604	-	_	-	604	604	(536)	(260)	(192)
of an associate	_	_	_	-	_	1	1	1	_	_	1
Total comprehensive income for the period	-	2,912	604	-	-	1	3,517	3,517	(536)	1,185	4,166
<u>Others</u> Transfer from accumulated losses to statutory reserve fund	-	(13)	_	-	-	13	-	_	-	_	-
Balance at 31.03.14	144,099	(72,148)	(3,779)	2,778	14,092	(976)	(60,033)	84,066	-	(12,614)	71,452

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 1.01.13	133,624	(56,412)	77,212
Profit for the period	-	682	682
Total comprehensive income for the period	_	682	682
Balance at 31.03.13	133,624	(55,730)	77,894

The Company	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 1.01.14	144,099	(54,811)	89,288
Loss for the period	-	(79)	(79)
Total comprehensive loss for the period	-	(79)	(79)
Balance at 31.03.14	144,099	(54,890)	89,209

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as 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 3 months ended 31 March 2014.

As at 31 March 2014 and 31 December 2013 respectively, the Company did not have any convertible securities.

As at 31 March 2014 and 31 December 2013 respectively, there were no treasury shares held.

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

	31.03.14	31.12.13
Total number of issued shares	1,407,675,433	1,407,675,433
(excluding treasury shares)		

As at 31 March 2014 and 31 December 2013 respectively, there were no treasury shares held.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares 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 2013.

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 2014.

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	s Ended	
	31.03.14 31.03.1		
	cents	cents	
 (i) Based on weighted average number of ordinary shares in issue 	0.21	0.13	
(ii) On a fully diluted basis	0.21	0.13	

The weighted average number of shares for the 3 months ended 31 March 2014 were 1,407,675,433 (31 March 2013: 916,043,490).

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

	Group	Company
	cents	cents
As at 31.03.14	5.97	6.34
As at 31.12.13	5.76	6.34

Net asset value per share is calculated based on the number of ordinary shares in issue of 1,407,675,433 as at 31 March 2014 (31 December 2013: 1,407,675,433).

- 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 STATEMENT OF COMPREHENSIVE INCOME

Overview

For the first fiscal quarter ended 31 March 2014 ("**1QFY2014**"), the Group recorded a net profit of \$4.4 million and an earnings per share ("**EPS**"), on a fully diluted basis, of 0.21 cents. Revenue increased by 8.5% over the same period in fiscal year 2013 ("**1QFY2013**") due mainly to higher sales to customers in China.

Revenue

Turnover of \$22.0 million was 8.5% higher than 1QFY2013. The increase was mainly attributed to higher sales to customers in China. The trading segment contributed 97% of total revenue.

Gross profit

The Group recorded a gross profit ("**GP**") of \$4.9 million for 1QFY2014. The decline in GP was due mainly to lower overall gross margin arising from a change in the mix of products sold during the period.

Other operating income

Other operating income for 1QFY2014 included a gain of \$3.6 million from the disposal of assets held for sale. The "assets held for sale" refers to the 99% shares in FEE Water (China-PZH) Ltd ("**FEEW**") for which the disposal was approved by shareholders at an extraordinary general meeting held on 13 February 2014.

Selling and distribution costs

The reduction in selling and distribution costs was due mainly to lower freight and marketing expenses incurred during the period.

Administrative and general costs

Administrative and general costs were lower due mainly to reversal of accruals for overseas taxes that have reached the statutory time bar.

Share of results of associates

The Group's share of results of its associates for 1QFY2014 was \$85,000, compared with a share of loss of \$197,000 in 1QFY2013. The improvement was due to an increase in the net profits, attributed to better gross margins, reported by an associate.

Income tax credit

The tax credit of \$58,000 recorded in 1QFY2014 was due mainly to an adjustment relating to the overprovision of tax by a subsidiary.

Earnings per share

The EPS for 1QFY2014 was 0.21 cents (1QFY2013: 0.13 cents).

STATEMENT OF FINANCIAL POSITION FOR THE GROUP

Net assets attributable to owners of the Company

Overall net assets attributable to owners of the Company increased from \$81.1 million as of 31 December 2013 to \$84.1 million as at the end of 1QFY2014. Net asset value per share increased by 0.21 cents to 5.97 cents (31 December 2013: 5.76 cents).

Current assets

Current assets decreased by \$23.3 million to \$136.1 million. The decrease was due mainly to:

- completion of the disposal of the 99% shares in FEEW in which the assets of the disposal group was classified as current assets under "assets of disposal group classified as held for sale";
- reduction in trade and other receivables outstanding trade receivables reduced by about \$6 million mainly due to collections received; and
- reduction in cash and bank balances arising mainly from the repayment of borrowings and payment to suppliers for the conversion of *Federal II*.

The decrease was partly offset by an increase in:

- asset under construction which relates to the carrying value of the vessel, Federal II;
- inventories; and
- advance payment to suppliers.

Current liabilities

Current liabilities decreased by \$26.9 million to \$108.4 million. The reduction was due mainly to the completion of the disposal of the 99% shares in FEEW in which the liabilities of the disposal group was classified as current liabilities under "liabilities directly associated with disposal group classified as held for sale".

The reduction in provision for income tax was due to prior years' taxes paid by a subsidiary during the period.

The decrease was partly offset by an increase in amounts due to bankers arising from an increase in trade facilities utilised during the period.

Net current assets

The Group's net current asset position increased to \$27.7 million as at the end of 1QFY2014. The improvement is due mainly to the completion of the disposal of the shares in FEEW.

STATEMENT OF FINANCIAL POSITION FOR THE COMPANY

Investment in subsidaries Amounts due from subsidiaries

The increase in investment in subsidiaries and the decrease in amounts due from subsidiaries were due to the reclassification of a loan to a subsidiary as a quasi-equity loan during the period.

Amounts due to subsidiaries

The movement in the amounts due to subsidiaries between current and non-current liabilities is due to a reclassification of an amount due to a subsidiary as non-current liabilities during the period.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group's available cash and cash equivalents reduced by \$5.9 million to \$13.8 million as of 31 March 2014. The reduction was due mainly to the net repayment of borrowings during the period. For 1QFY2014, the Group generated net cash flows from its operating activities of \$2.1 million. Investing activities utilised \$2.9 million and the net repayment of borrowings utilised \$5.1 million.

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 Group continues to focus on its core trading business and for 1QFY2014, the trading business segment recorded a turnover of \$22.0 million, an increase of 8.5% when compared with the corresponding period in 2013. The Group continues to participate actively in bids for projects in the region and expects a healthy pipeline of projects in 2014.

The Group has effectively divested of its non-core businesses and does not expect any significant contributions or impact from the Resources, and Energy and Utilities business segments.

Under the Marine Logistics business segment, the main on-going activity is the completion of the conversion and subsequent disposal of the vessel, *Federal II*. The vessel, upon conversion to a floating, storage and offloading vessel ("**FSO**") will be sold to PT Eastern Jason ("PTEJ"), an associate of the Group, which will charter the vessel to China National Offshore Oil Corporation ("**CNOOC**") in Indonesia.

Disposal of 99% shares in FEE Water (China-PZH) Ltd ("FEEW")

At the EGM held on 13 February 2014, shareholders approved the resolution to dispose of the 99% shares in FEEW. The sale and transfer of shares was completed on 12 March 2014.

Conversion and disposal of Federal II

On 20 September 2012, the Group announced that a consortium, comprising amongst other parties, PTEJ, had secured a charter contract to supply an FSO to CNOOC for a period of 5 years and renewable for a further period of 5 years. PTEJ is a company incorporated under the laws of Indonesia and is a joint venture between Eastern Jason Fabriciation Services Pte Ltd ("**EJFS**"), a wholly owned subsidiary of the Group, and PT Pratama Unggul Lestari ("**PTPUL**"). The issued and paid up capital of PTEJ is 70% owned by PTPUL and 30% owned by EJFS.

On 2 November 2012, the Group announced that a memorandum of agreement was signed between PTEJ and EJFS for the sale of the vessel, *Federal II*, by EJFS as an FSO for a purchase consideration of US\$52 million. A downpayment of US\$10.4 million has been received from PTEJ and the balance consideration of US\$41.6 million is secured on a standby letter of credit issued by Bank International Indonesia ("**BII**"). The vessel would be converted to an FSO before the sale. On 8 January 2013, shareholders at an extraordinary general meeting approved the conversion and disposal of the vessel. The expected date of delivery of the vessel is in the second quarter of 2014.

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 Assuarance 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 31 March 2014, to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Koh Kian Kiong Executive Chairman & CEO Koh Maggie Executive Director

09 May 2014