

FEDERAL INTERNATIONAL (2000) LTD

(Incorporated in Singapore)

Company Registration No. 199907113K

CLARIFICATION ON DIFFERENCES BETWEEN AUDITED FINANCIAL RESULTS AND UNAUDITED FINANCIAL RESULTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors (“Board”) of Federal International (2000) Ltd (the “Company” and together with its subsidiaries, the “Group”) refers to the announcement on 28 February 2014 on the unaudited financial results for the year ended 31 December 2013 (“Unaudited Results”).

With reference to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to announce and clarify the differences between the audited financial results (“Audited Results”) and the Unaudited Results of the Group for the financial year ended 31 December 2013.

In summary, the differences relate to:

- a) Consolidated statement of comprehensive income
Reclassification of foreign currency translation reserve attributable to disposal group classified as held for sale.
- b) Consolidated Balance Sheet
Reclassification of the vessel, *Federal II*, from a non-current asset classified as “Property, plant and equipment” to a current asset classified as “Asset under construction” as the vessel would be disposed of within the next 12 months.

Arising from the reclassification of the vessel, the consolidated balance sheet as at 31 December 2013 shows a net current asset position.

Please refer to **ANNEX A** for the detailed explanation of the differences.

By Order of the Board

Loh Chee Meng

Group CFO and Company Secretary

3 April 2014

A comparison of the Audited Results and Unaudited Results for Financial Year ended 31 December 2013 ("FY2013") is set out as follows:

**CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2013**

	Audited Results FY2013	Unaudited Results FY2013	Difference
	S\$'000	S\$'000	S\$'000
Revenue	128,167	128,167	-
Cost of sales	(96,209)	(96,209)	-
Gross profit	31,958	31,958	-
Other income	2,220	2,220	-
Selling and distribution costs	(9,727)	(9,727)	-
Administrative and general costs	(12,504)	(12,503)	1
Other operating expenses	(3,929)	(3,930)	(1)
Finance costs	(3,802)	(3,802)	-
Share of results of associates	793	793	-
Profit before tax	5,009	5,009	-
Income tax expense	(1,648)	(1,648)	-
Profit net of tax	3,361	3,361	-
Attributable to:			
Owners of the Company	4,741	4,741	-
Non-controlling interests	(1,380)	(1,380)	-
	3,361	3,361	-
Earnings per share attributable to owners of the Company (cents per share)			
Basic	0.37	0.37	-
Diluted	0.37	0.37	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Audited Results FY 2013	Unaudited Results FY 2013	Difference	
	S\$'000	S\$'000	S\$'000	
Profit net of tax	3,361	3,361	-	
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Net surplus on revaluation of freehold/leasehold land and buildings	4,998	4,998	-	
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation	(135)	(671)	536	Note 1
Other comprehensive income for the financial year, net of tax	4,863	4,327	536	
Total comprehensive income for the financial year	8,224	7,688	536	
Total comprehensive income attributable to:				
Owners of the Company	9,355	8,819	536	Note 1
Non-controlling interests	(1,131)	(1,131)	-	
	8,224	7,688	536	

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

	Audited Results as at 31.12.13	Unaudited Results as at 31.12.13	Difference	
	S\$'000	S\$'000	S\$'000	
Non-current assets:				
Property, plant and equipment	35,859	78,828	(42,969)	Note 2
Investment in associates	10,159	10,159	-	
Intangible assets	1	1	-	
Deferred expenses	-	2	(2)	
Other investments	20	20	-	
Other receivables	62	60	2	
Financial receivables	1,958	1,958	-	
Deferred tax assets	312	312	-	
	48,371	91,340	(42,969)	
Current assets:				
Asset under construction	42,969	-	42,969	Note 2
Inventories	22,930	22,930	-	
Trade and other receivables	35,076	35,076	-	
Gross amount due from customer for work-in-progress	77	77	-	
Advance payment to suppliers	2,519	2,519	-	
Prepayments	58	58	-	
Deposits	110	110	-	
Financial receivables	683	683	-	
Amounts due from associates	454	454	-	
Amounts due from a related party	5,886	5,886	-	
Fixed deposits	1,603	1,603	-	
Cash and bank balances	19,706	19,706	-	
	132,071	89,102	42,969	
Assets of disposal group classified as held for sale	27,399	27,399	-	
	159,470	116,501	42,969	
Current liabilities:				
Trade and other payables	28,443	28,443	-	
Advance payment from customers	2,279	2,279	-	
Advance payment from an associate	13,191	13,191	-	
Deferred revenue	20	20	-	
Amounts due to associates	942	942	-	
Amounts due to related party	1,803	1,803	-	
Amounts due to bankers	23,524	23,524	-	
Term loans	27,545	27,545	-	
Hire purchase creditors	45	45	-	
Provision for income tax	6,733	6,733	-	
	104,525	104,525	-	
Liabilities directly associated with disposal group classified as held for sale	30,808	30,808	-	
	135,333	135,333	-	
Net current assets/(liabilities)	24,137	(18,832)	42,969	Note 2
Non-current liabilities:				
Term loans	3,741	3,741	-	
Hire purchase creditors	37	37	-	
Provision for post employment benefits	5	5	-	
Deferred tax liabilities	1,439	1,439	-	
	5,222	5,222	-	
Net Assets	67,286	67,286	-	

ANNEX A – cont'd

	Audited Results as at 31.12.13	Unaudited Results as at 31.12.13	Difference
Equity attributable to owners of the Company			
Share capital	144,099	144,099	-
Foreign currency translation reserve	(4,383)	(4,383)	-
Capital reserve	2,778	2,778	-
Revaluation reserve	14,092	14,092	-
Other reserves	(990)	(990)	-
Accumulated losses	(75,047)	(75,047)	-
Reserve of disposal group classified as held for sale	536	536	-
	81,085	81,085	-
Non-controlling interests	(13,799)	(13,799)	-
Total equity	67,286	67,286	-

Explanatory notes**Note 1**

The increase in foreign currency translation relates to the reclassification of foreign currency translation reserve attributable to disposal group classified as held for sale.

Note 2

The difference of \$42,696,000 relates to the reclassification of the vessel, *Federal II*, from a non-current asset classified as "Property, plant and equipment" to a current asset classified as "Asset under construction" as the vessel would be disposed of within the next 12 months. Arising from this reclassification, the net current liabilities previously reported of \$18,832,000 is now net current assets of \$24,137,000.