

News Release

ST Engineering reports lower year-on-year profits for FY2014

FINANCIAL HIGHLIGHTS For the year ended 31 December 2014			
	2014 FY	2013 FY	Growth %
Revenue (\$m)	6,539	6,633	(1)
Earnings before interest and tax (EBIT) (\$m)	555.0	673.2	(18)
Other income, net (\$m)	40.2	34.2	18
Finance costs, net (\$m)	(1.7)	(8.8)	81
Profit before tax (PBT) (\$m)	650.7	729.7	(11)
Profit attributable to shareholders (\$m)	532.0	580.8	(8)
Earnings per share (cents)	17.06	18.73	(9)
Economic value added (EVA) (\$m)	344.5	413.8	(17)
Return on equity (%)	24.9	27.4	NM
Dividend per share (cents)	15.0	15.0	-
• Final - Ordinary - Special • Interim - Ordinary	11.0 4.0 7.0 4.0	12.0 4.0 8.0 3.0	

- Commercial sales constituted 61% or \$4.0 billion of revenue
- Order book of \$12.5 billion at end December 2014, of which about \$3.8 billion is expected to be delivered in 2015
- Cash and cash equivalents including funds under management totalled \$1.7 billion
- Advance payments from customers totalled \$1.7 billion

N.B.: All currencies are in Singapore dollars

Singapore, 27 February 2015 - Singapore Technologies Engineering Ltd (ST Engineering) today reported its full year financial results ended 31 December 2014 (FY2014) with a Group revenue of \$6.54b compared to \$6.63b reported for FY2013. Profit before tax (PBT) of \$650.7m was \$79m or 11% lower year-on-year compared to \$729.7m, and Net Profit of \$532.0m was \$48.8m or 8% lower year-on-year compared to \$580.8m.

At the business sector level, revenue for the Aerospace sector was comparable at \$2.06b, and PBT was down 11% to \$283m from \$319.4m reported for FY2013. The Electronics sector achieved higher PBT of \$184m, up 8% compared to \$170.3m in FY2013 on the back of comparable year-on-year revenue of \$1.58b. The Land Systems sector posted comparable year-on-year revenue of \$1.4b, and a lower PBT of \$56.2m, down 50% from \$111.8m in FY2013. The Marine sector \$1.34b revenue was 8% higher compared to \$1.24b, and its PBT of \$122.8m was 16% down from \$146.3m in FY2013.

4Q2014 versus 4Q2013

In the fourth quarter ended 31 December 2014 (4Q2014), the Group posted revenue of \$1.85b compared to \$1.94b reported for the prior year same period. The comparable revenue was a result of lower contributions from the Aerospace, Electronics and Marine sectors which saw a drop of between 6% and 11% in their revenues. The Land Systems sector achieved a 8% year-on-year increase in revenue.

Compared 4Q2014 against 4Q2013, Group PBT was \$167.4m, down \$48.7m or 23% from \$216.1m, and Net Profit \$140.3m, down \$27.2m or 16% from \$167.5m.

"The Group registered comparable Revenue of \$6.5b with a lower PBT and Net Profit of \$650.7m and \$532m respectively for FY2014 compared to FY2013.

A challenging business environment in Europe, the weakness in our Specialty Vehicles business in China as well as the poor performance in our US shipbuilding operations impacted our performance.

We succeeded in securing contracts worth about \$4b and ended the year with a healthy order book of \$12.5b. Our cash & cash equivalents including funds under management remain high at \$1.7b.

Barring unforeseen circumstances, the Group expects Revenue and PBT for FY2015 to be comparable to FY2014."

~ TAN Pheng Hock
President & CEO, ST Engineering

Commercial sales accounted for 61% or \$4.0b of Group revenue at the end of 2014. Revenue mix of the Group comprised Aerospace sector 32%, Electronics sector 24%, Land Systems sector 21% and Marine sector 21%.

Dividend payout and dividend yield

The Board of Directors proposes a Final Dividend of 11 cents per share, consisting of an Ordinary Dividend of 4 cents per share, and a Special Dividend of 7 cents per share. Together with the Interim Dividend of 4 cents per share paid to shareholders in September 2014, the total dividend for the full year will amount to 15 cents per share, same as FY2013. This translates to a dividend yield of 4.08%, computed using the average closing share price of the last trading day of 2014 and 2013.

Order book and new contracts announced in 2014

The Group announced about \$4.0b of new contracts in 2014, maintaining a healthy level of orders. As at end December 2014, order book was \$12.5b, of which about \$3.8b is expected to be delivered in 2015.

The Aerospace sector announced about \$310m worth of contracts for 4Q2014, making it a total of \$1.7b for the year. These contracts won in 2014 spanned the total aviation support programmes offered by the company, including heavy maintenance, Maintenance-By-the-Hour, pilot training and VIP completions. The Electronics sector announced \$2.2b of new contracts for the year, with about \$509m added in the fourth quarter. These contracts were for local and international rail electronics projects, satellite communication solutions and advanced electronics and ICT. In mid-2014, the Land Systems sector announced a contract of about \$100m for the supply of MAN articulated buses to SMRT, while the Marine sector announced a contract to build two 130-foot ATB tugs in its US yards.

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ST Engineering (Singapore Technologies Engineering Ltd) is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenue of \$6.54b in FY2014 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, FTSE ASEAN 40 Index, MSCI Singapore and other indices. ST Engineering has about 23,000 employees worldwide, and over 100 subsidiaries and associated companies in 46 cities across 24 countries. Please visit www.stengg.com for more information.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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SINGAPORE TECHNOLOGIES ENGINEERING LTD
AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	GROUP		
	FY2014	FY2013	+ / (-)
	\$'000	\$'000	%
Revenue	6,539,433	6,633,152	(1.4)
Cost of sales	(5,220,934)	(5,201,083)	0.4
Gross profit	1,318,499	1,432,069	(7.9)
Distribution and selling expenses (refer to para 1.7)	(180,309)	(175,908)	2.5
Administrative expenses	(467,687)	(466,598)	0.2
Other operating expenses	(115,530)	(116,348)	(0.7)
Profit from operations	554,973	673,215	(17.6)
Other income	45,175	40,095	12.7
Other expenses	(5,000)	(5,907)	(15.4)
Other income, net (refer to para 1.8)	40,175	34,188	17.5
Finance income	43,550	68,911	(36.8)
Finance costs	(45,197)	(77,704)	(41.8)
Finance costs, net	(1,647)	(8,793)	(81.3)
Share of results of associates and joint ventures, net of tax	57,182	31,082	84.0
Profit before taxation	650,683	729,692	(10.8)
Taxation	(113,693)	(138,145)	(17.7)
Profit for the year	536,990	591,547	(9.2)
Attributable to:			
Shareholders of the Company	531,952	580,834	(8.4)
Non-controlling interests	5,038	10,713	(53.0)
	536,990	591,547	(9.2)

1(a) **BREAKDOWN AND EXPLANATORY NOTES TO CONSOLIDATED INCOME STATEMENT**

		GROUP		
		FY2014	FY2013	+/(-) %
		\$'000	\$'000	%
1.1	Profit from operations is arrived at after charging the following:			
	Depreciation and amortisation	170,506	142,044	20.0
	The higher depreciation and amortisation in FY2014 mainly came from Aerospace, Electronics and Marine sectors.			
	Allowance for doubtful debts & bad debts written off, net	14,867	9,807	51.6
	The higher allowance for doubtful debts, net in FY2014 mainly came from Aerospace, Land Systems and Marine sectors, partially offset by lower allowance for doubtful debts in Electronics sector.			
	Allowance for inventory obsolescence, net	102,671	27,631	271.6
	The higher allowance for inventory obsolescence, net in FY2014 mainly came from Aerospace and Land Systems sectors.			
	Impairment losses on intangible assets	14,039	2,453	472.3
	The impairment losses on intangible assets in FY2014 came from Aerospace and Land Systems sectors.			
1.2	Finance costs, net comprises:			
	Interest income	23,629	23,320	1.3
	Foreign exchange (loss) / gain, net	(5,150)	3,315	(255.4)
	Fair value changes of financial instruments / hedged items	15,592	3,174	391.2
	Gain on disposal of investments, net	2,640	6,154	(57.1)
	Impairment losses on investments	(638)	(624)	2.2
	Interest expenses	(37,874)	(44,240)	(14.4)
	Others	154	108	42.6
		<u>(1,647)</u>	<u>(8,793)</u>	(81.3)
1.3	Profit for the year as a percentage of revenue	8.2%	8.9%	
1.4	Profit attributable to shareholders as a percentage of share capital and reserves at end of the year	24.9%	27.4%	
1.5	The Group's tax charge in FY2014 included adjustments for overprovision of current tax of \$15.1 million and underprovision of deferred tax of \$3.5 million in respect of prior years (FY2013: adjustments for overprovision of current tax of \$15.5 million and underprovision of deferred tax of \$0.5 million).			
1.6	There was a factory relocation with government compensation during the year by Land Systems sector. There was no profit and loss impact. (FY2013: Land Systems sector disposed of a property for a gain of \$12.5 million)			
1.7	The higher FY2014 distribution and selling expenses of \$180.3 million compared to \$175.9 million in FY2013 was mainly due to higher allowance for doubtful debts.			
1.8	The higher FY2014 other income, net of \$40.2 million compared to \$34.2 million in FY2013 was mainly due to income received from Singapore Government's Wage Credit Scheme, partially offset by lower gain on disposal of property, plant and equipment and investment property.			

1(b) BREAKDOWN OF REVENUE AND PROFIT FOR THE YEAR

	GROUP		
	2014 \$'000	2013 \$'000	+ / (-) %
Revenue reported for first half year	3,138,181	3,142,065	(0.1)
Profit for the period reported for first half year	271,400	283,504	(4.3)
Revenue reported for second half year	3,401,252	3,491,087	(2.6)
Profit for the period reported for second half year	265,590	308,043	(13.8)

1(c) EARNINGS PER ORDINARY SHARE (EPS)

	GROUP	
	FY2014	FY2013
EPS based on profit attributable to shareholders:	Cents	Cents
(i) Based on weighted average number of ordinary shares on issue	17.06	18.73
(ii) On a fully diluted basis	17.04	18.67

2 **BALANCE SHEETS**

	GROUP		COMPANY	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,577,523	1,520,404	4,568	1,434
Subsidiaries	-	-	1,197,716	927,728
Associates and joint ventures	478,352	462,139	17,657	17,657
Investments	127,211	166,033	-	-
Intangible assets	671,022	638,408	-	-
Long-term receivables, non-current	2,735	12,528	-	-
Finance lease receivables, non-current	973	2,679	-	-
Deferred tax assets	106,318	95,634	7,000	7,200
Amounts due from related parties, non-current	4,806	7,430	50,000	258,874
Derivative financial instruments, non-current	24,263	39,978	81	77
	2,993,203	2,945,233	1,277,022	1,212,970
Current assets				
Inventories and work-in-progress	1,802,073	1,807,509	-	-
Trade receivables	1,319,101	1,221,937	-	-
Amounts due from related parties, current	66,382	40,076	497,070	504,498
Advances and other receivables	530,298	598,210	3,597	9,827
Long-term receivables, current	11,375	12,508	-	-
Finance lease receivables, current	6,872	16,447	-	-
Short-term investments	119,279	134,581	-	-
Bank balances and other liquid funds	1,470,723	1,930,140	404,876	470,124
	5,326,103	5,761,408	905,543	984,449
TOTAL ASSETS	8,319,306	8,706,641	2,182,565	2,197,419
EQUITY AND LIABILITIES				
Current liabilities				
Advance payments from customers, current	809,637	878,895	-	-
Trade payables and accruals, current	1,667,180	1,604,740	26,961	25,017
Amounts due to related parties, current	29,364	24,953	196,988	98,946
Provisions	245,072	218,910	-	-
Progress billings in excess of work-in-progress	725,347	734,725	-	-
Provision for taxation	164,660	197,139	8,112	11,666
Short-term bank loans	29,820	139,842	-	-
Long-term bank loans, current	43,590	292,789	-	-
Lease obligations, current	1,126	1,321	-	-
Other loans, current	148	369	-	-
	3,715,944	4,093,683	232,061	135,629
NET CURRENT ASSETS	1,610,159	1,667,725	673,482	848,820

2 **BALANCE SHEETS** (cont'd)

	GROUP		COMPANY	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Advance payments from customers, non-current	899,279	857,496	-	-
Trade payables and accruals, non-current	274,155	353,701	17,006	18,817
Deferred tax liabilities	108,484	94,867	-	-
Bonds	658,424	631,283	-	-
Long-term bank loans, non-current	267,532	288,867	-	-
Lease obligations, non-current	17,547	18,150	-	-
Other loans, non-current	441	564	-	-
Deferred income	98,759	83,695	-	-
Other long-term payables, non-current	1,000	1,500	-	-
Derivative financial instruments, non-current	11,260	22,515	-	-
Amounts due to related parties, non-current	1,871	406	407,413	553,192
	2,338,752	2,353,044	424,419	572,009
TOTAL LIABILITIES	6,054,696	6,446,727	656,480	707,638
NET ASSETS	2,264,610	2,259,914	1,526,085	1,489,781
Share capital and reserves				
Share capital	889,426	852,611	889,426	852,611
Treasury shares	(6,529)	-	(6,529)	-
Capital reserves	116,323	116,323	-	-
Other reserves	(92,057)	(44,651)	74,865	72,754
Retained earnings	1,225,040	1,191,958	568,323	564,416
	2,132,203	2,116,241	1,526,085	1,489,781
Non-controlling interests	132,407	143,673	-	-
	2,264,610	2,259,914	1,526,085	1,489,781
TOTAL EQUITY AND LIABILITIES	8,319,306	8,706,641	2,182,565	2,197,419

2(a) **ANALYSIS OF BALANCE SHEETS**

Compared to 31 December 2013, the decrease in net current assets was mainly attributable to decreases in advances and other receivables and bank balances and other liquid funds as well as increase in trade payables and accruals, current, but these were partially offset by increase in trade receivables as well as decreases in advance payments from customers, current, short-term banks loans and current portion of long-term bank loans.

2(b) GROUP BORROWINGS

	As at 31-Dec-14 \$'000	As at 31-Dec-13 \$'000
<u>Amount repayable within one year</u>		
Secured	18,161	28,534
Unsecured	<u>56,523</u>	<u>405,787</u>
	<u>74,684</u>	<u>434,321</u>
<u>Amount repayable after one year</u>		
Secured	47,650	79,290
Unsecured	<u>896,294</u>	<u>859,574</u>
	<u>943,944</u>	<u>938,864</u>
 Total	 <u>1,018,628</u>	 <u>1,373,185</u>

2(c) NET ASSET VALUE

	GROUP	
	FY2014	FY2013
	Cents	Cents
Net asset value per ordinary share at end of the financial year	68.34	68.14

	COMPANY	
	FY2014	FY2013
	Cents	Cents
Net asset value per ordinary share at end of the financial year	48.91	47.97

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	GROUP	
	FY2014	FY2013
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	650,683	729,692
Adjustments:		
Share of results of associates and joint ventures, net of tax	(57,182)	(31,082)
Depreciation charge	154,318	127,176
Property, plant and equipment written off	885	1,386
Gain on disposal of property, plant and equipment	(1,310)	(430)
Gain on disposal of an investment property	-	(12,548)
Gain on disposal of investments	(2,640)	(6,154)
(Gain)/Loss on disposal of subsidiaries	(519)	50
(Gain)/Loss on disposal of associates and a joint venture	(2,797)	318
Gain on bargain purchase	(47)	-
Impairment losses on goodwill	10,829	2,141
Impairment losses on other intangible assets	3,210	312
Impairment losses on property, plant and equipment	1,087	690
impairment losses on quoted and unquoted investments	638	624
Impairment losses on associates	2,108	5,539
Impairment loss on loan to an associate	2,892	-
impairment loss on progressive payments to contractor	7,109	-
Share-based payment expense	21,670	15,598
Changes in fair value of financial instruments and hedged items	(15,592)	(3,174)
Changes in fair value of financial instruments held for trading	(152)	(107)
Interest expenses	37,874	44,240
Interest income	(23,629)	(23,320)
Dividends from investments	(2)	(1)
Amortisation of other intangible assets	16,188	14,868
Operating profit before working capital changes	805,621	865,818
Changes in:		
Inventories and work-in-progress	17,475	4,904
Progress billings in excess of work-in-progress	10,809	(26,476)
Trade receivables	(91,592)	(61,792)
Advance payments to suppliers	(27,658)	26,292
Other receivables, deposits and prepayments	34,891	36,296
Amount due from holding company and related corporations balances	(21,499)	(7,495)
Amount due to holding company and related corporations balances	12,065	(6,962)
Amount due from associates	(4,508)	(7,385)
Amount due from joint ventures	(9,122)	10,439
Trade payables	43,767	105,060
Advance payments from customers	(19,001)	18,648
Other payables, accruals and provisions	(37,263)	8,777
Loans to staff and third parties	12,191	11,735
Deferred income	7,224	35,432
Foreign currency translation of foreign operations	52	6,885
Cash generated from operations	733,452	1,020,176
Interest received	23,662	19,595
Income tax paid	(132,792)	(109,978)
Net cash from operating activities	624,322	929,793

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014 (cont'd)

	GROUP	
	FY2014	FY2013
	\$'000	\$'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	4,543	10,166
Proceeds from sale of an investment property	22,000	-
Proceeds from sale and maturity of investments	147,057	137,419
Proceeds from disposal of an associate and a joint venture	3,280	1,200
Proceeds from insurance settlement	5,220	-
Loan to associates	(640)	-
Loan to a joint venture	(272)	(3,136)
Repayment of loan from joint ventures	3,887	-
Dividends from associates and joint ventures	38,840	39,596
Dividends from investments	2	1
Purchase of property, plant and equipment	(223,771)	(282,121)
Purchase of investments	(90,172)	(66,623)
Investment in associates	-	(7,924)
Investment in joint ventures	(622)	(9,385)
Acquisition of other intangible assets	(30,878)	(67,079)
Acquisition of controlling interests in subsidiaries and business, net of cash acquired	(67)	(9,877)
Deconsolidation of a subsidiary	(35,896)	-
Net cash used in investing activities	(157,489)	(257,763)
Cash flows from financing activities		
Capital contribution from non-controlling interests of subsidiaries	9,368	22,761
Repayment of other loans	(369)	(335)
Repayment of bank loans	(471,990)	(172,596)
Repayment of lease obligations	(1,550)	(726)
Repayment of loan to a joint venture	(824)	-
Proceeds of a loan from a joint venture	-	836
Proceeds from bank loans	80,435	201,898
Proceeds from issue of shares	17,256	52,146
Purchase of treasury shares	(6,529)	-
Payment to non-controlling interest for reduction of share capital	-	(1,354)
Acquisition of non-controlling interests in a subsidiary	(194)	-
Dividends paid to shareholders of the Company	(498,857)	(521,290)
Dividends paid to non-controlling interests	(18,193)	(12,767)
Interest paid	(34,504)	(40,346)
Deposits discharged	1,105	2,025
Net cash used in financing activities	(924,846)	(469,748)
Net (decrease)/increase in cash and cash equivalents	(458,013)	202,282
Cash and cash equivalents at beginning of the year	1,920,924	1,700,950
Exchange difference on cash and cash equivalents at beginning of the year	(299)	17,692
Cash and cash equivalents at end of the year	1,462,612	1,920,924

3(a) **ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS**

Compared to FY2013, net cash from operating activities of \$624 million in FY2014 was lower by \$305 million. This was mainly due to lower profits, higher income tax paid as well as unfavourable working capital movements arising mainly from the unfavourable variances in trade receivables, advance payments to suppliers, trade payables, advance payments from customers, other payables, accruals and provisions and deferred income, but these were partially offset by positive variance in progress billings in excess of work-in-progress.

The Group's net cash used in investing activities of \$157 million in FY2014 was lower than that of FY2013 by \$100 million. The lower cash outflow was mainly attributable to proceeds from sale of an investment property in prior year, higher proceeds from sale and maturity of investments, lower cash outflow for acquisition of property, plant and equipment and other intangible assets as well as deconsolidation of a subsidiary.

The Group's net cash used in financing activities of \$925 million in FY2014 was higher than that of FY2013 by \$455 million, mainly attributable to repayment of bank loans, net of \$392 million on maturity and lower proceeds from issue of shares.

Resulting from the above, the cash and cash equivalents as at FY2014 was \$1,463 million, \$458 million lower than FY2013.

4 **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014**

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the Singapore Financial Reporting Standards (FRS).

	GROUP		
	FY2014	FY2013	+ / (-)
	\$'000	\$'000	%
Profit for the year	536,990	591,547	(9.2)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Net fair value changes on available-for-sale financial assets	(2,020)	(7,931)	(74.5)
Net fair value changes on cash flow hedges	(58,327)	48,592	(220.0)
Share of net fair value changes on cash flow hedges of an associate	(9,891)	-	NM
Foreign currency translation differences	19,968	45,993	(56.6)
Share of foreign currency translation differences of associates and joint ventures	1,336	10,395	(87.1)
Reclassification of foreign currency translation reserve to profit or loss arising from disposal of foreign entities	50	(205)	(124.4)
Other comprehensive income for the year, net of tax	(48,884)	96,844	(150.5)
Total comprehensive income for the year, net of tax	488,106	688,391	(29.1)
Total comprehensive income attributable to:			
Shareholders of the Company	482,522	674,953	(28.5)
Non-controlling interests	5,584	13,438	(58.4)
	488,106	688,391	(29.1)

5 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Group	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1.1.2013	781,841	116,323	(136,121)	1,132,644	1,894,687	117,895	2,012,582
Total comprehensive income for the year							
Profit for the year	-	-	-	580,834	580,834	10,713	591,547
Other comprehensive income							
Net fair value changes on available-for-sale financial assets	-	-	(7,931)	-	(7,931)	-	(7,931)
Net fair value changes on cash flow hedges	-	-	49,401	-	49,401	(809)	48,592
Foreign currency translation differences	-	-	42,459	-	42,459	3,534	45,993
Share of foreign currency translation differences of associates and joint ventures	-	-	10,395	-	10,395	-	10,395
Reclassification of foreign currency translation reserve to profit or loss arising from disposal of a foreign entity	-	-	(205)	-	(205)	-	(205)
<i>Other comprehensive income for the year, net of tax</i>	-	-	94,119	-	94,119	2,725	96,844
Total comprehensive income for the year, net of tax	-	-	94,119	580,834	674,953	13,438	688,391
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Issue of shares	70,770	-	(18,624)	-	52,146	-	52,146
Capital contribution by non-controlling interests	-	-	-	-	-	22,761	22,761
Cost of share-based payment	-	-	15,490	-	15,490	108	15,598
Return of capital by a subsidiary	-	-	-	-	-	(1,354)	(1,354)
Dividends paid	-	-	-	(521,290)	(521,290)	-	(521,290)
Dividends paid to non-controlling interests	-	-	-	-	-	(12,767)	(12,767)
Loans forgiven by non-controlling interests	-	-	-	-	-	483	483
<i>Total contributions by and distributions to owners of the Company</i>	70,770	-	(3,134)	(521,290)	(453,654)	9,231	(444,423)
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	3,109	3,109
Disposal of a subsidiary	-	-	255	-	255	-	255
Total transactions with owners of the Company	70,770	-	(2,879)	(521,290)	(453,399)	12,340	(441,059)
Transfer from retained earnings to statutory reserve	-	-	230	(230)	-	-	-
At 31.12.2013	852,611	116,323	(44,651)	1,191,958	2,116,241	143,673	2,259,914

5 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014 (cont'd)

Group	Share capital \$'000	Treasury Shares \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1.1.2014	852,611	-	116,323	(44,651)	1,191,958	2,116,241	143,673	2,259,914
Total comprehensive income for the year								
Profit for the year	-	-	-	-	531,952	531,952	5,038	536,990
Other comprehensive income								
Net fair value changes on available-for-sale financial assets	-	-	-	(2,020)	-	(2,020)	-	(2,020)
Net fair value changes on cash flow hedges	-	-	-	(57,327)	-	(57,327)	(1,000)	(58,327)
Share of net fair value changes on cash flow hedges of an associate	-	-	-	(9,891)	-	(9,891)	-	(9,891)
Foreign currency translation differences	-	-	-	18,422	-	18,422	1,546	19,968
Share of foreign currency translation differences of associates and joint ventures	-	-	-	1,336	-	1,336	-	1,336
Reclassification of foreign currency translation reserve to profit or loss arising from disposal of foreign entities	-	-	-	50	-	50	-	50
<i>Other comprehensive income for the year, net of tax</i>	-	-	-	(49,430)	-	(49,430)	546	(48,884)
Total comprehensive income for the year, net of tax	-	-	-	(49,430)	531,952	482,522	5,584	488,106
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Issue of shares	36,815	-	-	(19,559)	-	17,256	-	17,256
Capital contribution by non-controlling interests	-	-	-	-	-	-	9,368	9,368
Cost of share-based payment	-	-	-	21,574	-	21,574	96	21,670
Purchase of treasury shares	-	(6,529)	-	-	-	(6,529)	-	(6,529)
Dividends paid	-	-	-	-	(498,857)	(498,857)	-	(498,857)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(18,193)	(18,193)
<i>Total contributions by and distributions to owners of the Company</i>	36,815	(6,529)	-	2,015	(498,857)	(466,556)	(8,729)	(475,285)
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests in subsidiaries representing total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	-	-	(194)	(194)
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	729	729
Deconsolidation of a subsidiary	-	-	-	-	-	-	(8,656)	(8,656)
Disposal of subsidiaries	-	-	-	(4)	-	(4)	-	(4)
Total transactions with owners of the Company	36,815	(6,529)	-	2,011	(498,857)	(466,560)	(16,850)	(483,410)
Transfer from retained earnings to statutory reserve	-	-	-	13	(13)	-	-	-
At 31.12.2014	889,426	(6,529)	116,323	(92,057)	1,225,040	2,132,203	132,407	2,264,610

5 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014 (cont'd)

Company	Share capital \$'000	Treasury Shares \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1.1.2013	781,841	-	75,780	542,390	1,400,011
Total comprehensive income for the year					
Profit for the year	-	-	-	543,316	543,316
Total comprehensive income for the year	-	-	-	543,316	543,316
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Issue of shares	70,770	-	(18,624)	-	52,146
Cost of share-based payment	-	-	15,598	-	15,598
Dividends paid	-	-	-	(521,290)	(521,290)
<i>Total contributions by and distributions to owners of the Company</i>	70,770	-	(3,026)	(521,290)	(453,546)
At 31.12.2013	852,611	-	72,754	564,416	1,489,781
At 1.1.2014	852,611	-	72,754	564,416	1,489,781
Total comprehensive income for the year					
Profit for the year	-	-	-	502,764	502,764
Total comprehensive income for the year	-	-	-	502,764	502,764
Transactions with owners of the Company, recognised directly in equity					
Contributions by and distributions to owners of the Company					
Issue of shares	36,815	-	(19,559)	-	17,256
Cost of share-based payment	-	-	21,670	-	21,670
Purchase of treasury shares	-	(6,529)	-	-	(6,529)
Dividends paid	-	-	-	(498,857)	(498,857)
<i>Total contributions by and distributions to owners of the Company</i>	36,815	(6,529)	2,111	(498,857)	(466,460)
At 31.12.2014	889,426	(6,529)	74,865	568,323	1,526,085

5(a) CHANGES IN COMPANY'S SHARE CAPITAL

Issued and paid up capital

As at 31 December 2014, the Company has an issued share capital of 3,120,004,716 ordinary shares (31 December 2013: 3,105,903,530) of which 2,034,000 were held by the Company as treasury shares (31 December 2013: Nil).

	Number of shares for the year ended 31.12.2014	Number of shares for the quarter ended 31.12.2014
As at beginning of the year/quarter (including treasury shares)	3,105,903,530	3,119,526,506
Issue of shares under the terminated Singapore Technologies Engineering Share Option Plan (ESOP)	6,644,956	425,561
Issue of shares under the Singapore Technologies Engineering Performance Share Plan 2010 (PSP 2010)	1,545,821	-
Issue of shares under the terminated Singapore Technologies Engineering Restricted Stock Plan (RSP 2000)	1,659,932	-
Issue of shares under the Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)	4,250,477	52,649
As at end of the year (including treasury shares)	3,120,004,716	3,120,004,716
As at end of the year (excluding treasury shares)	3,117,970,716	3,117,970,716

Share Option Plan

As at 31 December 2014, there were 23,472,008 (31 December 2013: 30,517,942) unexercised options of unissued ordinary shares under ESOP.

Performance Share Plan

- (i) *Singapore Technologies Engineering Performance Share Plan 2010 (PSP 2010)*
As at 31 December 2014, the total number of contingent shares granted conditionally but not released was 3,433,537 (31 December 2013: 3,828,166). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 5,837,012 (31 December 2013: 6,507,882) ordinary shares of the Company.

Restricted Stock Plan

- (i) *Singapore Technologies Engineering Restricted Stock Plan (RSP 2000)*
As at 31 December 2014, the total number of awards released but not vested was nil (31 December 2013: 1,684,312) ordinary shares of the Company.
- (ii) *Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)*
As at 31 December 2014, the total number of contingent shares granted conditionally but not released was 9,916,027 (31 December 2013: 8,588,608). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 14,183,430 (31 December 2013: 12,835,412) ordinary shares.

As at 31 December 2014, the total number of awards released but not vested was 3,224,660 (31 December 2013: 3,265,102) ordinary shares of the Company.

5(a) **CHANGES IN COMPANY'S SHARE CAPITAL** (cont'd)

Treasury Shares

During the financial year, the Company purchased 2,034,000 ordinary shares by way of open market acquisitions, all of which were held by the Company as treasury shares (31 December 2013: Nil).

No treasury shares were sold, transferred, disposed, cancelled and/or used during the financial year.

<u>Group and Company</u>	<u>Number of shares for the year ended 31.12.2014</u>	<u>Treasury Shares \$'000</u>
As at beginning of the year	-	-
Purchase of treasury shares	2,034,000	6,529
As at end of the year	2,034,000	6,529

6 **AUDIT**

The figures have been audited by the Company's auditors.

7 **AUDITORS' REPORT**

See attached auditors' report

8 **ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2013 except for the adoption of FRS and INT FRS that are mandatory for financial year beginning on or after 1 January 2014. The adoption of these FRS and INT FRS has no significant impact on the financial statements.

9 **CHANGES IN ACCOUNTING POLICIES**

Not applicable.

10 REVIEW OF GROUP PERFORMANCE

10(a) Revenue

FY2014 vs FY2013

\$m	FY2014	FY2013	Growth	
Aerospace	2,061	2,079	(18)	(1%)
Electronics	1,583	1,650	(67)	(4%)
Land Systems	1,397	1,475	(78)	(5%)
Marine	1,341	1,238	103	8%
Others	157	191	(34)	(18%)
Total	6,539	6,633	(94)	(1%)

Group's revenue of \$6,539 million for FY2014 was comparable to that of FY2013. All sectors' revenues were comparable except for Marine sector with higher revenue. The lower revenue under "Others" was mainly attributable to Miltope.

Aerospace sector's FY2014 revenue of \$2,061 million was comparable to that of FY2013. The lower revenue from both **Aircraft Maintenance & Modification** and **Component/Engine Repair & Overhaul** business groups, were partially offset by more Maintenance-by-the-Hour (MBH™) programme in the **Engineering & Materials Services** business group.

FY2014 revenue of \$1,583 million for the Electronics sector was comparable to that of FY2013. Both **Large-Scale Systems Group** and **Software Systems Group** revenues were comparable, while **Communication & Sensor Systems Group (CSG)** had lower revenue. The lower revenue in **CSG** was mainly attributable to lower sales of satellite communication products.

Land Systems sector's FY2014 revenue of \$1,397 million was comparable to that achieved in FY2013. The lower revenue in the **Automotive (Auto)** and **Services, Trading & Others** business groups were partially offset by higher revenue recorded by the **Munitions & Weapon** business group. The lower revenue in **Auto** business group was due to lower project deliveries and specialty vehicles sales.

Revenue of Marine sector in FY2014 of \$1,341 million was higher than that of FY2013 by 8% or \$103 million, attributable to higher **Shipbuilding** and **Engineering** revenues, but partially offset by lower **Shiprepair** revenue. The higher **Shipbuilding** revenue came from local operation, while higher sales from fabrication of rig living quarters and charter income from RoPax contributed to the higher **Engineering** revenue. Lower **Shiprepair** revenue was due to lower shiprepair and conversion activities.

10 REVIEW OF GROUP PERFORMANCE (cont'd)

10(b) Profitability

FY2014 vs FY2013

\$m	FY2014	FY2013	Growth	
Aerospace	283.0	319.4	(36.4)	(11%)
Electronics	184.0	170.3	13.7	8%
Land Systems	56.2	111.8	(55.6)	(50%)
Marine	122.8	146.3	(23.5)	(16%)
Others	4.7	(18.1)	22.8	126%
Total	650.7	729.7	(79.0)	(11%)

Group's profit before tax (PBT) for FY2014 of \$650.7 million was lower than that of FY2013 by 11% or \$79.0 million. Lower PBT was recorded by all sectors except Electronics sector and "Others" which reported higher PBT.

Aerospace sector's PBT of \$283.0 million in FY2014 was lower than that achieved in FY2013 by 11% or \$36.4 million. The lower PBT was mainly attributable to weaker performance from the European operations and restructuring costs as well as higher allowance for inventory obsolescence.

PBT for Electronics sector in FY2014 of \$184.0 million was 8% or \$13.7 million higher than FY2013. Notwithstanding comparable revenue, the Sector recorded higher PBT mainly due to favourable sales mix, lower operating expenses and higher other income.

Land Systems sector's FY2014 PBT of \$56.2 million was 50% or \$55.6 million lower than that achieved in FY2013. Lower revenue, higher allowance for inventory obsolescence, asset impairments including goodwill impairments and absence of gain on disposal of an investment property recognised in FY2013 contributed to the lower PBT.

PBT of Marine sector in FY2014 of \$122.8 million was 16% or \$23.5m lower than FY2013. The lower PBT was mainly attributable to weaker performance from the US yards, partially offset by lower operating expenses, higher other income and share of higher profits from a joint venture.

The higher PBT under "Others" was due to better performance of ST Synthesis, contribution from an associate with profit from Singapore Airshow 2014 as well as favourable fair value change in respect of the cross currency interest rate swaps, partially offset by lower PBT from Miltope.

11 **VARIANCE FROM PROSPECTS STATEMENT**

In the Prospects Statement for the 3Q2014 results announced in November 2014, Marine sector forecasted Revenue for FY2014 to be comparable to that of FY2013. The Sector is pleased to report that FY2014 Revenue came in higher with higher revenue from all business groups.

Other than the variance as mentioned above, there is no other variance from the 3Q2014 Prospects Statement.

12 **PROSPECTS**

Group

Barring unforeseen circumstances, the Group expects FY2015 Revenue and PBT to be comparable to FY2014.

Sectors

For the Aerospace sector, FY2015 Revenue and PBT are expected to be comparable to that of FY2014.

For the Electronics sector, FY2015 Revenue and PBT are expected to be higher than that of FY2014.

For the Land Systems sector, FY2015 Revenue is expected to be comparable, while PBT is expected to be higher than that of FY2014.

For the Marine sector, FY2015 Revenue is expected to be lower, while PBT is expected to be comparable to that of FY2014.

This release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events. 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 and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes, as well as natural disasters which may negatively impact business activities of the ST Engineering group. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

13 DIVIDENDS

The Directors are pleased to announce that a final dividend of 11.0 cents per share has been recommended for the year ended 31 December 2014. The recommended final dividend consists of an Ordinary Dividend of 4.0 cents per share and a Special Dividend of 7.0 cents per share. Together with the interim ordinary dividend of 4.0 cents per share paid on 4 September 2014, the total dividend for the year ended 31 December 2014 will be 15.0 cents per share and amounts to \$468.2 million. The recommended dividends take into consideration the Group's FY2014 profit after tax, present cash position, positive cash flow generated from operations and projected capital requirements. Payment of the final dividend is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim Ordinary tax exempt (one-tier)	Final Ordinary tax exempt (one-tier)	Special Dividend tax exempt (one-tier)	Total
Dividend Type	Cash	Cash	Cash	Cash
Dividend Per Share	4.0 cents per ordinary share	4.0 cents per ordinary share	7.0 cents per ordinary share	15.0 cents per ordinary share
Annual Dividend	\$124.8m	\$124.9m	\$218.5m	\$468.2m

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Interim Ordinary tax exempt (one-tier)	Final Ordinary tax exempt (one-tier)	Special Dividend tax exempt (one-tier)	Total
Dividend Type	Cash	Cash	Cash	Cash
Dividend Per Share	3.0 cents per ordinary share	4.0 cents per ordinary share	8.0 cents per ordinary share	15.0 cents per ordinary share
Annual Dividend	\$93.2m	\$124.7m	\$249.4m	\$467.3m

(c) Books Closure and Dividend Payment Dates

NOTICE IS HEREBY GIVEN THAT the Register of Members and Share Transfer Books will be closed on 30 April 2015 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company together with all relevant documents of title received by the Company's share registrar, M & C Services Private Limited, 112 Robinson Road #05-01 Singapore 068902 up to 5.00 p.m. on 29 April 2015 will be registered to determine members' entitlements to the proposed dividends, subject to approval of members to the proposed dividends at the Eighteenth Annual General Meeting to be convened on 23 April 2015. Subject as aforesaid, members whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 29 April 2015 will be entitled to the proposed dividends. The proposed dividends, if so approved by members, will be paid on 15 May 2015.

14 BUSINESS SEGMENTAL INFORMATION
By Business Activity

	FY2014						
	Aerospace	Electronics	Land Systems	Marine	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	2,061,225	1,583,288	1,396,880	1,341,084	156,956	-	6,539,433
Inter-segment sales	10,239	30,791	8,252	867	24,069	(74,218)	-
	<u>2,071,464</u>	<u>1,614,079</u>	<u>1,405,132</u>	<u>1,341,951</u>	<u>181,025</u>	<u>(74,218)</u>	<u>6,539,433</u>
Reportable segment profit from operations	261,471	174,371	38,727	100,835	(76,109)	55,678	554,973
Other income	7,059	10,402	14,525	12,115	628,530	(627,456)	45,175
Other expenses	(5,035)	(6)	(1,570)	(37)	(24)	1,672	(5,000)
Finance income	11,894	4,867	3,124	3,931	115,809	(96,075)	43,550
Finance costs	(24,670)	(6,136)	(11,655)	-	(112,961)	110,225	(45,197)
Share of results of associates and joint ventures, net of tax	32,280	470	13,050	5,936	-	5,446	57,182
Profit before taxation	282,999	183,968	56,201	122,780	555,245	(550,510)	650,683
Taxation	(53,892)	(30,614)	(11,001)	(14,695)	(3,491)	-	(113,693)
Non-controlling interests	(8,963)	(1,211)	5,123	1	-	12	(5,038)
Profit attributable to shareholders	<u>220,144</u>	<u>152,143</u>	<u>50,323</u>	<u>108,086</u>	<u>551,754</u>	<u>(550,498)</u>	<u>531,952</u>
Other assets	2,202,519	1,783,773	2,091,015	1,106,096	4,250,300	(3,592,749)	7,840,954
Associates and joint ventures	322,508	10,297	112,750	8,159	17,657	6,981	478,352
Segment assets	<u>2,525,027</u>	<u>1,794,070</u>	<u>2,203,765</u>	<u>1,114,255</u>	<u>4,267,957</u>	<u>(3,585,768)</u>	<u>8,319,306</u>
Segment liabilities	<u>1,779,360</u>	<u>1,596,964</u>	<u>1,931,326</u>	<u>955,383</u>	<u>2,102,832</u>	<u>(2,311,169)</u>	<u>6,054,696</u>
Capital expenditure ⁺	87,674	61,893	86,318	37,581	10,635	-	284,101
Depreciation and amortisation	60,166	38,362	38,053	27,098	6,869	(42)	170,506
Impairment losses	6,186	638	21,049	-	-	-	27,873
Other non-cash expenses	807	56	20	-	3	(1)	885

⁺ Capital expenditure consists of additions of property, plant and equipment and intangible assets.

14 BUSINESS SEGMENTAL INFORMATION (cont'd)
By Business Activity

	FY2013						
	Aerospace	Electronics	Land Systems	Marine	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	2,079,076	1,650,332	1,475,361	1,237,933	190,450	-	6,633,152
Inter-segment sales	9,029	31,946	9,858	914	31,926	(83,673)	-
	<u>2,088,105</u>	<u>1,682,278</u>	<u>1,485,219</u>	<u>1,238,847</u>	<u>222,376</u>	<u>(83,673)</u>	<u>6,633,152</u>
Reportable segment profit from operations	291,828	165,546	90,472	134,479	(58,943)	49,833	673,215
Other income	9,884	3,685	23,840	6,047	609,322	(612,683)	40,095
Other expenses	(2,738)	(1,641)	(4,353)	(43)	(21)	2,889	(5,907)
Finance income	14,528	9,546	4,836	37,038	77,706	(74,743)	68,911
Finance costs	(18,645)	(5,342)	(11,175)	(33,284)	(89,735)	80,477	(77,704)
Share of results of associates and joint ventures, net of tax	24,585	(1,466)	8,173	2,073	-	(2,283)	31,082
Profit before taxation	319,442	170,328	111,793	146,310	538,329	(556,510)	729,692
Taxation	(53,589)	(30,502)	(19,196)	(36,325)	1,467	-	(138,145)
Non-controlling interests	(6,639)	(2,707)	(1,358)	(30)	-	21	(10,713)
Profit attributable to shareholders	<u>259,214</u>	<u>137,119</u>	<u>91,239</u>	<u>109,955</u>	<u>539,796</u>	<u>(556,489)</u>	<u>580,834</u>
Other assets	2,421,451	1,732,792	1,991,478	1,137,593	4,281,836	(3,320,648)	8,244,502
Associates and joint ventures	328,017	729	110,972	3,223	17,681	1,517	462,139
Segment assets	<u>2,749,468</u>	<u>1,733,521</u>	<u>2,102,450</u>	<u>1,140,816</u>	<u>4,299,517</u>	<u>(3,319,131)</u>	<u>8,706,641</u>
Segment liabilities	<u>2,222,830</u>	<u>1,538,772</u>	<u>1,779,140</u>	<u>950,319</u>	<u>2,260,361</u>	<u>(2,304,695)</u>	<u>6,446,727</u>
Capital expenditure ⁺	176,066	90,305	67,719	56,195	7,452	-	397,737
Depreciation and amortisation	50,194	29,106	39,083	18,514	5,189	(42)	142,044
Impairment losses/(write-back of impairment)	3,488	3,479	2,348	-	(9)	-	9,306
Other non-cash expenses	956	315	112	-	3	-	1,386

⁺ Capital expenditure consists of additions of property, plant and equipment and intangible assets.

14 **BUSINESS SEGMENTAL INFORMATION** (cont'd)

By Geographical Areas

	Revenue			
	FY2014		FY2013	
	\$'000	%	\$'000	%
Asia	3,780,770	57.8	3,868,536	58.3
USA	1,525,088	23.3	1,705,677	25.8
Europe	290,317	4.5	420,875	6.3
Others	943,258	14.4	638,064	9.6
Total	<u>6,539,433</u>	<u>100</u>	<u>6,633,152</u>	<u>100</u>

By Country of Incorporation

	Revenue				Non-Current Assets*			
	FY2014		FY2013		FY2014		FY2013	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Asia	4,981,137	76.2	4,811,651	72.5	1,932,656	67.5	1,893,992	67.4
USA	1,420,462	21.7	1,642,208	24.8	781,302	27.3	732,649	26.1
Europe	75,513	1.2	129,952	2.0	47,647	1.7	81,599	2.9
Others	62,321	0.9	49,341	0.7	101,017	3.5	101,381	3.6
Total	<u>6,539,433</u>	<u>100</u>	<u>6,633,152</u>	<u>100</u>	<u>2,862,622</u>	<u>100</u>	<u>2,809,621</u>	<u>100</u>

* Non-current assets for the purpose of FRS 108 *Operating Segments* excludes derivative financial instruments and deferred tax assets.

15 **ECONOMIC VALUE ADDED (EVA)**

EVA for FY2014 was \$344.5 million, a decrease of 17% or \$69.3 million over FY2013. The weighted average cost of capital for 2014 was 5.6% (2013: 5.2%).

16 INTERESTED PERSON TRANSACTIONS (unaudited)

Aggregate value of all transactions conducted under a shareholders mandate pursuant to Rule 920 of the SGX Listing Manual

	FY2014 \$'000	FY2013 \$'000
Transactions for the Sale of Goods and Services		
CapitaLand Limited and its Associates	215	173
SembCorp Industries Ltd and its Associates	190	-
SembCorp Marine Ltd and its Associates	13,236	6,399
SATS Ltd. and its Associates	-	900
Singapore Telecommunications Limited and its Associates	130	722
SMRT Corporation Ltd and its Associates	120,535	750
StarHub Ltd and its Associates	2,296	-
Temasek Holdings (Private) Limited and its Associates (non-listed)	4,490	10,208
	141,092	19,152
Transactions for the Purchase of Goods and Services		
SATS Ltd. and its Associates	2,599	2,552
Singapore Airlines Limited and its Associates	11,977	-
Singapore Telecommunications Limited and its Associates	2,775	1,389
SMRT Corporation Ltd and its Associates	-	283
Temasek Holdings (Private) Limited and its Associates (non-listed)	23,036	2,927
	40,387	7,151
Total Interested Person Transactions	181,479	26,303

17 REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the SGX Listing Manual, as at 31 December 2014, no person occupying a managerial position in the company or any of its principal subsidiaries is related to a Director or chief executive officer or substantial shareholder of the company.

BY ORDER OF THE BOARD

CHUA SU LI
Company Secretary
27 February 2015

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For more details on how the business of each Sector is managed and its related performance, please see the attached sections. The information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not made pursuant to any law or regulation.