

**UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED
31 DECEMBER 2016**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED INCOME STATEMENT
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

	The Group		The Group	
	3 rd Quarter 2016-17	3 rd Quarter 2015-16	9 Months 2016-17	9 Months 2015-16
REVENUE	272.3	275.2	808.7	818.5
EXPENDITURE				
Staff costs	125.3	116.6	384.3 ^{R1}	348.8
Material costs	43.4	43.5	136.4	134.4
Depreciation	12.1	10.6	35.3	31.3
Amortisation of intangibles	1.3	0.4	3.5	1.2
Company accommodation	12.1	12.2	37.5	37.1
Subcontract costs	34.3	40.2	101.1	118.0
Other operating expenses	18.6	22.7	62.5	70.8
	247.1	246.2	760.6	741.6
OPERATING PROFIT	25.2	29.0	48.1^{R1}	76.9
Interest income	1.0	0.5	2.9	1.4
Interest on external borrowings	(0.2)	*	(0.5)	(0.2)
Surplus/(loss) on disposal of property, plant and equipment	*	(0.3)	(0.1)	(0.3)
Surplus on partial disposal of an associated company	2.3	-	2.3	2.8
Loss on liquidation of an associated company	-	(4.3)	-	(4.3)
Surplus on disposal of non-current asset held for sale	-	-	141.6	-
Provision for impairment in an associated company	-	(2.5)	-	(2.5)
Dividend from non-current asset held for sale	-	1.3	39.5	4.5
Share of profits of associated companies, net of tax	17.3	15.7	42.9	37.0
Share of profits of joint venture companies, net of tax	14.3	17.5	26.6	38.9
PROFIT BEFORE TAXATION	59.9	56.9	303.3	154.2
Taxation expense	(6.3)	(5.9)	(13.1)	(16.0)
PROFIT FOR THE PERIOD	53.6	51.0	290.2	138.2
PROFIT ATTRIBUTABLE TO: OWNERS OF THE PARENT	52.6	49.4	286.5^{R2}	135.2
Non-controlling interests	1.0	1.6	3.7	3.0
	53.6	51.0	290.2	138.2
BASIC EARNINGS PER SHARE (CENTS)	4.69	4.40	25.53	12.04
DILUTED EARNINGS PER SHARE (CENTS)	4.68	4.39	25.48	12.01

* Amount less than \$0.1M

Note:

R1: The staff costs of \$384.3M in 9M FY2016-17 included a provision for the estimated increase in the profit-linked component of staff remuneration arising from the gain on divestment of Hong Kong Aero Engine Services Ltd ("HAESL"). Before the additional provision for staff costs, operating profit for the nine months was \$69.4M. After taking into account this one-time impact, the Group showed an operating profit of \$48.1M in 9M FY2016-17.

R2: Profit attributable to owners of the parent of \$286.5M included a gain on divestment of HAESL of \$178.0M and its corresponding impact on staff costs (net of tax adjustments). Before the divestment, profit attributable to owners of the parent was \$126.1M.

Notes - Profit for the period is arrived at after charging/(crediting) the following:

	The Group		The Group	
	3 rd Quarter 2016-17	3 rd Quarter 2015-16	9 Months 2016-17	9 Months 2015-16
	\$M	\$M	\$M	\$M
Write back of provision for impairment of trade debtors, net	(0.1)	(3.8)	(0.4)	(2.5)
Exchange (gain)/loss, net	(4.8)	2.1	(9.8)	4.5
Under/(over) provision of tax in respect of prior year	0.4	(0.1)	0.2	(0.1)
Provision for stock obsolescence, net	0.6	1.3	1.9	2.9

1(a)(i) Consolidated Statement of Comprehensive Income

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

	The Group			
	3 rd Quarter 2016-17	3 rd Quarter 2015-16	9 Months 2016-17	9 Months 2015-16
PROFIT FOR THE PERIOD	53.6	51.0	290.2	138.2
OTHER COMPREHENSIVE INCOME				
<u>Items that will not be reclassified to profit or loss:</u>				
Actuarial gain/(loss) on remeasurement of defined benefit plan	*	*	*	*
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation	35.8	(3.9)	42.0	15.3
Realisation of foreign currency translation reserve on liquidation of an associated company	-	4.3	-	4.3
Realisation of foreign currency translation reserve on partial disposal of an associated company	*	-	*	-
Net fair value adjustment on cash flow hedges	(1.6)	1.7	(2.5)	6.0
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	-	(0.8)	-	(0.8)
Net fair value adjustment on non-current asset held for sale	-	149.4	-	149.4
Realisation of fair value changes on non-current asset held for sale	-	-	(141.9)	-
Share of other comprehensive income of associated and joint venture companies	(4.1)	3.0	(3.5)	1.7
	30.1	153.7	(105.9)	175.9
OTHER COMPREHENSIVE INCOME, NET OF TAX	30.1	153.7	(105.9)	175.9
TOTAL COMPREHENSIVE INCOME	83.7	204.7	184.3	314.1
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	81.2	203.2	179.3	310.6
Non-controlling interests	2.5	1.5	5.0	3.5
	83.7	204.7	184.3	314.1

* Amount less than \$0.1M

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

	The Company			
	3rd Quarter 2016-17	3rd Quarter 2015-16	9 Months 2016-17	9 Months 2015-16
PROFIT FOR THE PERIOD	38.1	30.0	259.3	111.6
OTHER COMPREHENSIVE INCOME				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Net fair value adjustment on cash flow hedges	(1.6)	1.7	(2.5)	6.0
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	-	(0.8)	-	(0.8)
Net fair value adjustment on non-current asset held for sale	-	149.4	-	149.4
Realisation of fair value changes on non-current asset held for sale	-	-	(141.9)	-
Other comprehensive income, net of tax	(1.6)	150.3	(144.4)	154.6
TOTAL COMPREHENSIVE INCOME	36.5	180.3	114.9	266.2

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

BALANCE SHEETS AT 31 DECEMBER 2016 (IN \$ MILLION)

	The Group		The Company	
	31 Dec 2016	31 Mar 2016	31 Dec 2016	31 Mar 2016
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	420.0	416.5	420.0	416.5
Treasury shares	(13.1)	(6.1)	(13.1)	(6.1)
Capital reserve	2.7	0.2	2.7	0.2
Share-based compensation reserve	14.8	18.4	14.8	18.4
Foreign currency translation reserve	(47.2)	(87.9)	-	-
Fair value reserve	(7.2)	140.7	(1.3)	143.1
Equity transaction reserve	(2.4)	(2.4)	-	-
General reserve	1,157.8	1,006.1	803.4	673.1
	1,525.4	1,485.5	1,226.5	1,245.2
NON-CONTROLLING INTERESTS	35.9	26.4	-	-
TOTAL EQUITY	1,561.3	1,511.9	1,226.5	1,245.2
NON-CURRENT LIABILITIES				
Deferred taxation	28.7	29.5	25.9	27.2
Long-term bank loan	26.2	24.5	-	-
	54.9	54.0	25.9	27.2
	1,616.2	1,565.9	1,252.4	1,272.4
Represented by :				
PROPERTY, PLANT AND EQUIPMENT	335.4	340.9	272.9	280.9
INTANGIBLES	67.7	63.4	5.5	4.7
SUBSIDIARY COMPANIES	-	-	127.8	109.1
ASSOCIATED COMPANIES	385.8	344.0	192.9	193.1
JOINT VENTURE COMPANIES	164.6	147.5	61.9	56.6
LONG-TERM INVESTMENTS	-	*	-	*
CURRENT ASSETS				
Trade debtors	76.8	76.8	47.5	52.4
Prepayments and other debtors	18.1	14.2	9.9	10.8
Immediate holding company	92.4	61.7	90.8	60.3
Amount owing by related parties	34.9	68.1	34.9	66.4
Inventories	39.3	40.7	28.7	31.4
Work-in-progress	112.8	114.4	109.5	112.8
Short-term deposits	479.6	317.1	474.1	311.7
Cash and bank balances	80.6	76.8	45.4	58.1
	934.5	769.8	840.8	703.9
Non-current asset held for sale	-	156.5	-	156.5
	934.5	926.3	840.8	860.4
Less:				
CURRENT LIABILITIES				
Trade and other creditors	251.8	227.6	219.5	197.3
Amount owing to related parties	2.0	1.8	17.9	19.9
Bank loans	3.5	8.8	-	-
Tax payable	14.5	18.0	12.0	15.2
	271.8	256.2	249.4	232.4
NET CURRENT ASSETS	662.7	670.1	591.4	628.0
	1,616.2	1,565.9	1,252.4	1,272.4

*Amount less than \$0.1M

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(in \$ Million)

Amount repayable in one year or less, or on demand

31 Dec 2016		31 Mar 2016	
Secured	Unsecured	Secured	Unsecured
-	3.5	-	8.8

Amount repayable after one year

31 Dec 2016		31 Mar 2016	
Secured	Unsecured	Secured	Unsecured
-	26.2	-	24.5

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

	The Group		The Group	
	3 rd Quarter 2016-17	3 rd Quarter 2015-16	9 Months 2016-17	9 Months 2015-16
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation	59.9	56.9	303.3	154.2
Adjustments for:				
Depreciation	12.1	10.6	35.3	31.3
Amortisation of intangibles	1.3	0.4	3.5	1.2
Share-based compensation expense	0.8	0.8	2.0	1.6
(Surplus)/loss on disposal of property, plant and equipment	*	0.3	0.1	0.3
Surplus on partial disposal of an associated company	(2.3)	-	(2.3)	(2.8)
Loss on liquidation of an associated company	-	4.3	-	4.3
Surplus on disposal of non-current asset held for sale	-	-	(141.6)	-
Provision for impairment in an associated company	-	2.5	-	2.5
Interest income	(1.0)	(0.5)	(2.9)	(1.4)
Interest on external borrowings	0.2	*	0.5	0.2
Share of profits of associated and joint venture companies, net of tax	(31.6)	(33.2)	(69.5)	(75.9)
Exchange differences	(4.8)	2.1	(9.8)	4.5
Dividend received from non-current asset held for sale	-	(1.3)	(39.5)	(4.5)
Operating profit before working capital changes	34.6	42.9	79.1	115.5
Decrease/(increase) in debtors	6.6	(16.9)	2.2	(8.6)
Decrease /(increase) in inventories and work-in-progress	10.6	3.6	3.2	(2.7)
Increase/(decrease) in creditors	5.1	(3.6)	23.0	(7.3)
(Increase)/decrease in amounts owing by immediate holding company	(8.2)	10.6	(30.5)	(26.3)
Decrease/(increase) in amounts owing by related parties	17.9	(8.5)	33.3	(21.9)
Cash generated from operations	66.6	28.1	110.3	48.7
Income taxes paid	(6.6)	(5.7)	(16.9)	(16.9)
NET CASH PROVIDED BY OPERATING ACTIVITIES	60.0	22.4	93.4	31.8

* Amount less than \$0.1M

**CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

	The Group		The Group	
	3 rd Quarter 2016-17	3 rd Quarter 2015-16	9 Months 2016-17	9 Months 2015-16
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure	(10.4)	(10.4)	(27.3)	(30.3)
Purchase of intangible assets	(1.8)	(0.5)	(3.7)	(3.3)
Proceeds from disposal of property, plant and equipment	0.6	*	0.8	0.1
Proceeds from partial disposal of an associated company	3.8	-	3.8	4.9
Proceeds from disposal of non-current asset held for sale	-	-	156.6	-
Investment in an associated company	-	(24.3)	-	(24.3)
Interest received from deposits	0.9	0.4	2.7	1.5
Dividends received from associated and joint venture companies	15.6	11.8	38.9	49.3
Dividend received from non-current asset held for sale	-	1.3	39.5	4.5
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	8.7	(21.7)	211.3	2.4
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from exercise of share options	*	0.1	11.6	3.5
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests	4.4	-	8.2	-
Proceeds from borrowings	-	2.8	1.8	4.4
Repayment of borrowings	(4.6)	(0.6)	(7.6)	(0.6)
Interest paid	(0.2)	(0.1)	(0.5)	(0.2)
Dividends paid	(44.9)	(67.4)	(135.2)	(162.9)
Dividends paid by subsidiary companies to non-controlling interests	-	(1.6)	(3.7)	(4.0)
Purchase of treasury shares	(8.0)	(4.3)	(17.8)	(4.3)
NET CASH USED IN FINANCING ACTIVITIES	(53.3)	(71.1)	(143.2)	(164.1)
NET CASH INFLOW/(OUTFLOW)	15.4	(70.4)	161.5	(129.9)
CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD	539.8	406.2	393.9	463.7
Effect of exchange rate changes	5.0	(0.1)	4.8	1.9
CASH AND CASH EQUIVALENTS AT END PERIOD	560.2	335.7	560.2	335.7
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Short-term deposits	479.6	268.8	479.6	268.8
Cash and bank balances	80.6	66.9	80.6	66.9
CASH AND CASH EQUIVALENTS AT END PERIOD	560.2	335.7	560.2	335.7

* Amount less than \$0.1M

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

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

The Group	Attributable to Owners of the Parent									Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total		
Balance at 1 October 2016											
As previously reported	420.0	(5.1)	2.7	14.1	(81.5)	(1.5)	(2.4)	1,150.0	1,496.3	29.0	1,525.3
Effects of adopting FRS109	-	-	-	-	-	-	-	*	*	-	*
As restated	420.0	(5.1)	2.7	14.1	(81.5)	(1.5)	(2.4)	1,150.0	1,496.3	29.0	1,525.3
Profit for the period	-	-	-	-	-	-	-	52.6	52.6	1.0	53.6
Actuarial gain on remeasurement of defined benefit plan	-	-	-	-	-	-	-	*	*	*	*
Foreign currency translation	-	-	-	-	34.3	-	-	-	34.3	1.5	35.8
Realisation of foreign currency translation reserve on partial disposal of an associated company	-	-	-	-	*	-	-	-	*	-	*
Net fair value adjustment on cash flow hedges	-	-	-	-	-	(1.6)	-	-	(1.6)	-	(1.6)
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	*	(4.1)	-	-	(4.1)	-	(4.1)
Other comprehensive income, net of tax	-	-	-	-	34.3	(5.7)	-	*	28.6	1.5	30.1
Total comprehensive income for the period	-	-	-	-	34.3	(5.7)	-	52.6	81.2	2.5	83.7
Capital contribution	-	-	-	-	-	-	-	-	-	4.4	4.4
Share-based compensation expense	-	-	-	0.8	-	-	-	-	0.8	-	0.8
Share options lapsed	-	-	-	(0.1)	-	-	-	0.1	-	-	-
Purchase of treasury shares	-	(8.0)	-	-	-	-	-	-	(8.0)	-	(8.0)
Treasury shares reissued pursuant to equity compensation plans	-	*	*	*	-	-	-	-	*	-	*
Dividends	-	-	-	-	-	-	-	(44.9)	(44.9)	-	(44.9)
Total contributions by and distributions to owners	-	(8.0)	*	0.7	-	-	-	(44.8)	(52.1)	4.4	(47.7)
Balance at 31 December 2016	420.0	(13.1)	2.7	14.8	(47.2)	(7.2)	(2.4)	1,157.8	1,525.4	35.9	1,561.3

* Amount less than \$0.1M

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015 (IN \$ MILLION)**

The Group	Attributable to Owners of the Parent								Non-controlling interests	Total equity
	Share capital	Treasury shares	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total		
Balance at 1 October 2015	416.3	-	18.8	(63.1)	(11.2)	(2.4)	982.6	1,341.0	24.3	1,365.3
Profit for the period	-	-	-	-	-	-	49.4	49.4	1.6	51.0
Actuarial loss on remeasurement of defined benefit plan	-	-	-	-	-	-	*	*	*	*
Foreign currency translation	-	-	-	(3.8)	-	-	-	(3.8)	(0.1)	(3.9)
Realisation of foreign currency translation reserve on liquidation of an associated company	-	-	-	4.3	-	-	-	4.3	-	4.3
Net fair value adjustment on cash flow hedges	-	-	-	-	1.7	-	-	1.7	-	1.7
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	-	-	-	-	(0.8)	-	-	(0.8)	-	(0.8)
Net fair value adjustment on non-current asset held for sale	-	-	-	-	149.4	-	-	149.4	-	149.4
Share of other comprehensive income of associated / joint venture companies	-	-	-	*	3.0	-	-	3.0	-	3.0
Other comprehensive income, net of tax	-	-	-	0.5	153.3	-	*	153.8	(0.1)	153.7
Total comprehensive income for the period	-	-	-	0.5	153.3	-	49.4	203.2	1.5	204.7
Share-based compensation expense	-	-	0.8	-	-	-	-	0.8	-	0.8
Share options exercised	0.2	-	*	-	-	-	-	0.2	-	0.2
Share options lapsed	-	-	*	-	-	-	*	-	-	-
Purchase of treasury shares	-	(4.3)	-	-	-	-	-	(4.3)	-	(4.3)
Dividends	-	-	-	-	-	-	(67.4)	(67.4)	(1.6)	(69.0)
Total contributions by and distributions to owners	0.2	(4.3)	0.8	-	-	-	(67.4)	(70.7)	(1.6)	(72.3)
Balance at 31 December 2015	416.5	(4.3)	19.6	(62.6)	142.1	(2.4)	964.6	1,473.5	24.2	1,497.7

* Amount less than \$0.1M

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 October 2016							
As previously reported	420.0	(5.1)	2.7	14.1	0.3	809.6	1,241.6
Effects of adopting FRS 109	-	-	-	-	-	0.5	0.5
As restated	420.0	(5.1)	2.7	14.1	0.3	810.1	1,242.1
Profit for the period	-	-	-	-	-	38.1	38.1
Other comprehensive income, net of tax: Net fair value adjustment on cash flow hedges	-	-	-	-	(1.6)	-	(1.6)
Total comprehensive income for the period	-	-	-	-	(1.6)	38.1	36.5
Share-based compensation expense	-	-	-	0.8	-	-	0.8
Share options lapsed	-	-	-	(0.1)	-	0.1	-
Purchase of treasury shares	-	(8.0)	-	-	-	-	(8.0)
Treasury shares reissued pursuant to equity compensation plans	-	*	*	*	-	-	*
Dividends	-	-	-	-	-	(44.9)	(44.9)
Total contributions by and distributions to owners	-	(8.0)	*	0.7	-	(44.8)	(52.1)
Balance at 31 December 2016	420.0	(13.1)	2.7	14.8	(1.3)	803.4	1,226.5

* Amount less than \$0.1M

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015 (IN \$ MILLION)**

The Company	Share capital	Treasury shares	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 October 2015	416.3	-	18.8	(1.0)	660.8	1,094.9
Profit for the period	-	-	-	-	30.0	30.0
Other comprehensive income, net of tax:						
Net fair value adjustment on cash flow hedges	-	-	-	1.7	-	1.7
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	-	-	-	(0.8)	-	(0.8)
Net fair value adjustment on non-current asset held for sale	-	-	-	149.4	-	149.4
Total comprehensive income for the period	-	-	-	150.3	30.0	180.3
Share-based compensation expense	-	-	0.8	-	-	0.8
Share options exercised	0.2	-	*	-	-	0.2
Share options lapsed	-	-	*	-	*	-
Purchase of treasury shares	-	(4.3)	-	-	-	(4.3)
Dividends	-	-	-	-	(67.4)	(67.4)
Total contributions by and distributions to owners	0.2	(4.3)	0.8	-	(67.4)	(70.7)
Balance at 31 December 2015	416.5	(4.3)	19.6	149.3	623.4	1,204.5

* Amount less than \$0.1M

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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL AND SHARE PLANS IN THE COMPANY

(A) Share Capital

As at 31 December 2016, the Company has an issued share capital of 1,124,116,360 ordinary shares (31 December 2015: 1,123,312,387 ordinary shares) of which 3,623,352 were held by the Company as treasury shares (31 December 2015: 1,199,500).

The movement of the Company's issued share capital during the third quarter from 1 October 2016 to 31 December 2016 is as follows:

Group and Company	Number of Shares	Share Capital (\$ Million)
Issued and fully paid share capital <u>Ordinary Shares</u>		
Balance at 1 October 2016	1,124,116,360	420.0
Share options exercised during the period October to December 2016	-	-
Balance at 31 December 2016	1,124,116,360	420.0

(B) Employee Share Option Plan

(i) During the period 1 October 2016 to 31 December 2016, the Company issued 4,400 shares (1 October 2015 to 31 December 2015: 33,800), all of which were reissued treasury shares (1 October 2015 to 31 December 2015: nil), upon the exercise of options granted under the Employee Share Option Plan.

- (ii) The movement of share options of the Company during the third quarter from 1 October 2016 to 31 December 2016 is as follows:

Date of grant	Balance at 01.10.2016	Cancelled	Exercised	Balance at 31.12.2016	Exercise Price*	Exercisable period
02.07.2007	8,449,344	(52,000)	-	8,397,344	\$4.52	02.07.2008-01.07.2017
01.07.2008	4,515,596	(12,400)	(4,400)	4,498,796	\$3.59	01.07.2010-30.06.2018
Total	12,964,940	(64,400)	(4,400)	12,896,140		

* At the extraordinary general meeting of the Company held on 26 July 2004, the Company's shareholders approved an amendment to the Plan to allow for adjustment to the exercise prices of the existing options by the Committee administering the Plan, in the event of the declaration of a special dividend. Following approval by the Company's shareholders of the declaration of a special dividend of \$0.10 on 22 July 2011 and \$0.05 on 21 July 2014, the said Committee approved a reduction of \$0.10 on the outstanding share options on 29 July 2011 and a further \$0.05 on the outstanding share options on 7 August 2014. The exercise prices reflected here are the exercise prices after such adjustments.

- (iii) As at 31 December 2016, the number of share options of the Company outstanding was 12,896,140 (31 December 2015: 17,193,788).

(C) Restricted Share Plan and Performance Share Plan

- (i) Management staff are entitled to the Restricted Share Plan ("RSP"). In addition, senior management staff are entitled to participate in the Performance Share Plan ("PSP"). Both plans were first approved by the shareholders of the Company on 25 July 2005 and expired on 24 July 2015. On 21 July 2014, the shareholders of the Company approved the RSP 2014 and PSP 2014, which replaced the RSP and PSP respectively.
- (ii) Depending on the achievement of pre-determined targets over a stipulated period for the RSP and PSP, the final number of restricted shares and performance shares awarded could range between 0% and 150% of the initial grant of the restricted shares and between 0% and 200% of the initial grant of the performance shares.

- (iii) As at 31 December 2016, the number of outstanding shares granted under the Company's RSP and PSP were 1,629,386 (31 December 2015: 1,634,789) and 324,447 (31 December 2015: 334,642) respectively. The movement of these share awards during the quarter from 1 October 2016 to 31 December 2016 is as follows:

RSP

Date of grant	Balance at 01.10.2016	Adjustment *	Cancelled	Released	Balance at 31.12.2016
08.07.2013	44,401	-	-	-	44,401
07.07.2014	99,245	-	-	-	99,245
06.07.2015	709,480	-	-	-	709,480
07.07.2016	776,260	-	-	-	776,260
Total	1,629,386	-	-	-	1,629,386

- * Adjustment at the end of performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

PSP

Date of grant	Balance at 01.10.2016	Adjustment *	Cancelled	Released	Balance at 31.12.2016
07.07.2014	134,917	-	-	-	134,917
06.07.2015	62,080	-	-	-	62,080
07.07.2016	127,450	-	-	-	127,450
Total	324,447	-	-	-	324,447

- * Adjustment at the end of performance period upon meeting stated performance targets and adjustments for number of days in service for retirees.

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.

As at 31 December 2016, the Company has an issued share capital of 1,120,493,008 ordinary shares (31 March 2016: 1,121,615,487) excluding 3,623,352 ordinary shares (31 March 2016: 1,696,900) held by the Company as treasury shares.

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.

During the period 1 October 2016 to 31 December 2016, the Company purchased 2,267,500 treasury shares (1 October 2015 to 31 December 2015: 1,199,500). The Company transferred 4,400 treasury shares to employees on exercise of share options (1 October 2015 to 31 December 2015: nil).

Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of Shares	Treasury Shares (\$ Million)
Balance at 1 October 2016	1,360,252	5.1
Purchase of treasury shares	2,267,500	8.0
Treasury shares transferred on exercise of share options	(4,400)	*
Balance at 31 December 2016	3,623,352	13.1

* Amount less than \$0.1M

2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 below, 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 March 2016. The adoption of the new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2016 has no significant impact on the Group.

During the period with effect from 1 October 2016:

The Group has early adopted FRS 109 Financial Instruments with a date of initial application of 1 October 2016, as FRS 109 allows the adoption from the start of a quarterly reporting period. The early adoption of FRS 109 has no significant impact on the financial performance or position of the Group.

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.**

Please refer to paragraph 4.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group		Group	
	3 rd Quarter 2016-17	3 rd Quarter 2015-16	9 Months 2016-17	9 Months 2015-16
Earnings per share (cents)				
- Basic *	4.69	4.40	25.53	12.04
- Diluted #	4.68	4.39	25.48	12.01

* Based on the weighted average number of ordinary shares in issue excluding treasury shares.

Based on the weighted average number of ordinary shares in issue excluding treasury shares, after adjusting for the dilutive effect of options, performance shares and restricted shares.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital 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	
	As at 31 Dec 16	As at 31 Mar 16	As at 31 Dec 16	As at 31 Mar 16
Net asset value per share (cents)	136.1	132.4	109.5	111.0

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

GROUP EARNINGS

Third Quarter FY2016-17

The Group posted a profit attributable to owners of the parent of \$52.6 million for the third quarter of FY2016-17, an increase of \$3.2 million or 6.5%. Profit this quarter included a \$2.3 million gain on the partial disposal of an associated company, while the same quarter last year was impacted by provisions for closure costs and impairment of two associated companies.

Operating profit of \$25.2 million was \$3.8 million or 13.1% lower than the same quarter last year. Revenue of \$272.3 million saw a decrease of \$2.9 million or 1.1%, mainly from lower fleet management and airframe and component overhaul revenue, mitigated in part by higher line maintenance revenue. Expenditure at \$247.1 million increased at a lower rate of 0.4% or \$0.9 million as the current quarter benefitted from an exchange gain of \$4.8 million, while increases in staff costs were mitigated by lower subcontract costs.

For the quarter, share of profits of joint venture companies was \$14.3 million, \$3.2 million lower than the same quarter last year. However, contributions from associated companies increased by \$1.6 million or 10.2% to \$17.3 million.

Basic earnings per share was 4.69 cents for the current quarter.

Year-to-date (April – December 2016)

The Group recorded a profit attributable to owners of the parent of \$286.5 million for the nine months ended 31 December 2016. During the first quarter, the Group made a \$141.6 million gain from the divestment of its 10% stake in Hong Kong Aero Engine Services Ltd ("HAESL") to Rolls-Royce Overseas Holdings Limited ("RROH") and Hong Kong Aircraft Engineering Company Limited ("HAECO"). In addition, the Group received a special dividend of \$36.4 million from HAESL following the divestment of its 20% stake in SAESL to Rolls-Royce Singapore Pte Ltd ("RRS"), bringing the overall gain from divestment to \$178.0 million.

Revenue decreased by \$9.8 million or 1.2%, with lower fleet management revenue, partially mitigated by higher line maintenance revenue.

Expenditure at \$760.6 million was \$19.0 million or 2.6% higher. The increase in expenditure was mainly due to a \$35.5 million or 10.2% increase in staff costs, partially offset by lower subcontract costs. The increase in staff costs was due mainly to a provision made in the first quarter for the estimated increase in the profit-linked component of staff remuneration arising from the gain on divestment of HAESL, based on profitability-related key performance indicators. Operating profit before the provision was \$69.4 million, a decrease of \$7.5 million or 9.8%. Operating profit after taking into account the one-time impact on staff costs arising from divestment was \$48.1 million.

Year-to-date (April – December 2016) (continued)

Share of profits of associated and joint venture companies was \$69.5 million, \$6.4 million or 8.4% lower than the corresponding period last year. Contributions from the engine repair and overhaul centres amounted to \$41.8 million, compared to \$42.5 million in the same period last year.

Basic earnings per share was 25.53 cents for the nine months ended 31 December 2016.

GROUP FINANCIAL POSITION

As at 31 December 2016, equity attributable to owners of the parent of \$1,525.4 million was \$39.9 million or 2.7% higher than at 31 March 2016, mainly due to profits earned for the period, which included the divestment gain, and a gain in foreign currency translation reserve as a result of the strengthening of the US dollar against the Singapore dollar. The increase was partially offset by a decrease in fair value reserve upon the divestment of the Group's interest in HAESL, and the payment of the final and interim dividends for FY2015-16 and FY2016-17 respectively. The Group's cash balance increased \$166.3 million or 42.2% to \$560.2 million, mainly from the cash received from the divestment of HAESL and cash flows generated from operations, offset in part by dividends paid. Total assets stood at \$1,888.0 million.

Net asset value per share as at 31 December 2016 was 136.1 cents.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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.

OUTLOOK

The operating environment of the aerospace industry remains challenging in the face of persisting global economic uncertainties.

In line with our commitment to pursue strategic partnerships, during the quarter, we signed an agreement with Moog Inc. to establish a Singapore-based joint venture to overhaul Moog's products, which include components on flight control systems for new-generation aircraft, such as the Boeing 787 and the Airbus A350. With the incorporation of Heavy Maintenance Singapore Services Pte Ltd in October, the joint venture with Airbus will have access to a larger market. While these and other recently formed joint ventures position the company well for the future, they are not expected to be accretive in the near term.

As part of ongoing efforts to remain competitive, we will continue to enhance operating efficiencies and manage costs, including investing in new technologies and advancing innovation.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No

(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 dividend has been declared/recommended for the quarter ended 31 December 2016.

13. Interested Person Transactions

(In \$ Million)

The aggregate value of all Interested Person Transactions ("IPTs") entered into during the 3rd quarter of Financial Year 2016-17 are as follows:

Name of Interested Person	Non-Mandated Aggregate value of all IPTs (excluding all mandated transactions pursuant to Rule 920 of the SGX Listing Manual and transactions less than \$100,000)	Mandated Aggregate value of all IPTs conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
Singapore Airlines Limited Group - Singapore Airlines Cargo Pte Ltd - Scoot Pte Ltd	- -	254.0 0.3
SATS Ltd - SATS Security Services Pte Ltd	-	3.0
Starhub Limited	-	0.2
Total	-	257.5

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

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (namely, its Chief Executive Officer, Executive Vice-President and Chief Financial Officer) in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Devika Rani Davar
Company Secretary
3 February 2017

Singapore Co. Regn. No.: 198201025C

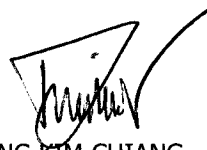
CONFIRMATION BY THE BOARD

We, Stephen Lee Ching Yen and Png Kim Chiang, being two directors of SIA Engineering Company Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the third quarter and nine months FY2016/17 financial results to be false or misleading in any material respect.

On behalf of the Board,



STEPHEN LEE CHING YEN
Chairman



PNG KIM CHIANG
Chief Executive Officer

3 February 2017