

**AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

**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 FINANCIAL YEAR ENDED 31 MARCH 2019 (IN \$ MILLION)**

	The Group		The Group	
	4th Quarter 2018-19	4th Quarter 2017-18	2018-19	2017-18
<b>REVENUE</b>	<b>256.0</b>	<b>276.4</b>	<b>1,020.9</b>	<b>1,094.9</b>
<b>EXPENDITURE</b>				
Staff costs	118.4	119.8	488.7	494.3
Material costs	37.0	50.6	145.2	186.5
Depreciation of property, plant and equipment	12.2	12.8	49.5	48.5
Amortisation of intangible assets	0.9	1.3	4.0	5.4
Impairment of property, plant and equipment	-	3.5	-	3.5
Company accommodation	12.4	11.7	49.8	49.3
Subcontract costs	26.4	31.2	118.3	133.9
Other operating expenses	29.3	24.3	108.6	94.7
	<b>236.6</b>	<b>255.2</b>	<b>964.1</b>	<b>1,016.1</b>
<b>OPERATING PROFIT</b>	<b>19.4</b>	<b>21.2</b>	<b>56.8</b>	<b>78.8</b>
Interest income	2.4	1.3	8.0	4.9
Interest on external borrowings	(0.4)	(0.2)	(0.9)	(0.8)
Surplus on disposal of property, plant and equipment	*	0.1	1.1	1.0
Surplus on disposal of a subsidiary company	-	-	0.3	-
(Loss)/Surplus on disposal of an associated company	(0.1)	15.0	(0.1)	15.0
Surplus on dilution of shareholding in an associated company	-	0.8	-	0.8
Share of profits of associated companies, net of tax	22.3	16.6	73.5	69.5
Share of profits of joint venture company, net of tax	10.0	8.4	40.4	40.3
<b>PROFIT BEFORE TAXATION</b>	<b>53.6</b>	<b>63.2</b>	<b>179.1</b>	<b>209.5</b>
Taxation expense	(5.1)	(6.4)	(18.1)	(21.5)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>48.5</b>	<b>56.8</b>	<b>161.0</b>	<b>188.0</b>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE PARENT</b>	<b>49.3</b>	<b>56.2</b>	<b>160.9</b>	<b>186.8</b>
Non-controlling interests	(0.8)	0.6	0.1	1.2
	<b>48.5</b>	<b>56.8</b>	<b>161.0</b>	<b>188.0</b>
BASIC EARNINGS PER SHARE (CENTS)	4.40	5.02	14.38	16.70
DILUTED EARNINGS PER SHARE (CENTS)	4.39	5.01	14.35	16.66

\* Amount less than \$0.1M

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

	The Group		The Group	
	4th Quarter 2018-19	4th Quarter 2017-18	2018-19	2017-18
	\$M	\$M	\$M	\$M
Provision/(Writeback) for impairment of trade debtors, net	0.3	(0.5)	0.2	2.1
Exchange loss, net	1.4	2.0	1.1	6.5
Over provision of tax in respect of prior year	-	(0.1)	(0.2)	(0.1)
Provision for stock obsolescence, net	1.1	0.3	4.0	2.8

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

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (IN \$ MILLION)**

	The Group		The Group	
	4th Quarter 2018-19	4th Quarter 2017-18	2018-19	2017-18
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>48.5</b>	<b>56.8</b>	<b>161.0</b>	<b>188.0</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<u>Item that will not be reclassified to profit or loss:</u>				
Actuarial gain on remeasurement of defined benefit plan	0.1	0.3	0.1	0.3
	<u>0.1</u>	<u>0.3</u>	<u>0.1</u>	<u>0.3</u>
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation	(4.1)	(13.3)	20.7	(40.7)
Realisation of foreign currency translation reserves on disposal of an associated company	-	(0.2)	-	(0.2)
Realisation of foreign currency translation reserves on disposal of a subsidiary company	-	-	(0.1)	-
Net fair value adjustment on cash flow hedges	(0.1)	*	1.7	(0.7)
Share of other comprehensive income of associated/joint venture companies	(0.6)	0.8	(5.4)	5.0
	<u>(4.8)</u>	<u>(12.7)</u>	<u>16.9</u>	<u>(36.6)</u>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>(4.7)</b>	<b>(12.4)</b>	<b>17.0</b>	<b>(36.3)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>43.8</b>	<b>44.4</b>	<b>178.0</b>	<b>151.7</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
<b>OWNERS OF THE PARENT</b>	44.7	44.4	177.1	152.3
Non-controlling interests	(0.9)	*	0.9	(0.6)
	<u>43.8</u>	<u>44.4</u>	<u>178.0</u>	<u>151.7</u>

\* Amount less than \$0.1M

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (IN \$ MILLION)**

	The Company		The Company	
	4th Quarter 2018-19	4th Quarter 2017-18	2018-19	2017-18
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>44.8</b>	<b>61.5</b>	<b>176.0</b>	<b>187.1</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Other comprehensive income, net of tax</b>				
<u>Item that may be reclassified subsequently to profit or loss:</u>				
Net fair value adjustment on cash flow hedges	(0.1)	*	1.7	(0.7)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>44.7</b>	<b>61.5</b>	<b>177.7</b>	<b>186.4</b>

\* Amount less than \$0.1M

**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 AS AT 31 MARCH 2019 (IN \$ MILLION)**

	The Group			The Company		
	31 Mar 2019	31 Mar 2018	1 Apr 2017	31 Mar 2019	31 Mar 2018	1 Apr 2017
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>						
Share capital	420.0	420.0	420.0	420.0	420.0	420.0
Treasury shares	(18.0)	(21.3)	(15.2)	(18.0)	(21.3)	(15.2)
Capital reserve	2.9	2.8	2.7	2.9	2.8	2.7
Share-based compensation reserve	5.6	7.1	16.0	5.6	7.1	16.0
Foreign currency translation reserve	(18.2)	(38.9)	-	-	-	-
Fair value reserve	(0.9)	3.6	(0.6)	1.4	(0.3)	0.4
Equity transaction reserve	(4.5)	(2.4)	(2.4)	-	-	-
General reserve	1,141.7	1,112.8	1,119.3	868.1	824.1	830.5
	1,528.6	1,483.7	1,539.8	1,280.0	1,232.4	1,254.4
<b>NON-CONTROLLING INTERESTS</b>	35.4	31.3	34.0	-	-	-
<b>TOTAL EQUITY</b>	1,564.0	1,515.0	1,573.8	1,280.0	1,232.4	1,254.4
<b>NON-CURRENT LIABILITIES</b>						
Deferred taxation	23.1	24.2	26.4	21.2	22.3	23.6
Long-term bank loan	12.6	17.3	21.9	-	-	-
	35.7	41.5	48.3	21.2	22.3	23.6
	<b>1,599.7</b>	<b>1,556.5</b>	<b>1,622.1</b>	<b>1,301.2</b>	<b>1,254.7</b>	<b>1,278.0</b>
Represented by :						
<b>PROPERTY, PLANT AND EQUIPMENT</b>	260.8	287.6	315.8	204.1	229.1	254.4
<b>INTANGIBLE ASSETS</b>	46.6	67.7	65.3	10.9	8.3	6.1
<b>SUBSIDIARY COMPANIES ASSOCIATED COMPANIES JOINT VENTURE COMPANY PREPAYMENTS</b>	-	-	-	153.3	131.5	127.8
	404.3	392.5	380.0	221.7	220.9	192.9
	154.7	151.9	162.0	61.9	61.9	61.9
	13.8	-	-	-	-	-
<b>CURRENT ASSETS</b>						
Trade debtors	81.2	70.9	87.5	59.5	52.7	60.5
Contract assets	183.9	195.7	109.2	165.5	180.9	105.6
Prepayments and other debtors	19.9	19.8	14.7	8.4	11.2	7.6
Amount owing by immediate holding company	92.0	42.0	78.9	91.3	40.6	77.1
Amounts owing by related parties	30.8	41.9	48.8	44.5	49.0	49.6
Inventories	35.6	34.2	37.3	23.2	24.5	27.0
Short-term deposits	465.8	433.6	531.2	436.0	416.4	518.1
Cash and bank balances	55.8	66.1	70.5	31.3	39.8	40.4
	965.0	904.2	978.1	859.7	815.1	885.9
Less:						
<b>CURRENT LIABILITIES</b>						
Trade and other creditors	186.0	189.9	212.0	149.5	141.7	172.8
Contract liabilities	33.5	32.3	38.2	33.3	32.2	38.2
Amounts owing to related parties	0.8	0.4	9.2	10.1	19.4	26.2
Bank loans	6.7	4.6	4.0	-	-	-
Tax payable	18.5	20.2	15.7	17.5	18.8	13.8
	245.5	247.4	279.1	210.4	212.1	251.0
<b>NET CURRENT ASSETS</b>	719.5	656.8	699.0	649.3	603.0	634.9
	<b>1,599.7</b>	<b>1,556.5</b>	<b>1,622.1</b>	<b>1,301.2</b>	<b>1,254.7</b>	<b>1,278.0</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities  
(in \$ Million)**

**Amount repayable in one year or less, or on demand**

<b>As at 31 Mar 2019</b>		<b>As at 31 Mar 2018</b>	
Secured	Unsecured	Secured	Unsecured
-	6.7	-	4.6

**Amount repayable after one year**

<b>As at 31 Mar 2019</b>		<b>As at 31 Mar 2018</b>	
Secured	Unsecured	Secured	Unsecured
-	12.6	-	17.3

**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 STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>2018-19</b>	<b>2017-18</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	179.1	209.5
Adjustments for:		
Depreciation of property, plant and equipment	49.5	48.5
Amortisation of intangible assets	4.0	5.4
Impairment of property, plant and equipment	-	3.5
Share-based compensation expense	4.2	2.2
Surplus on disposal of property, plant and equipment	(1.1)	(1.0)
Surplus on disposal of a subsidiary company	(0.3)	-
Loss/(Surplus) on disposal of an associated company	0.1	(15.0)
Surplus on dilution of shareholding in an associated company	-	(0.8)
Interest income	(8.0)	(4.9)
Interest on external borrowings	0.9	0.8
Share of profits of associated and joint venture companies, net of tax	(113.9)	(109.8)
Exchange differences	1.1	6.5
<b>Operating profit before working capital changes</b>	<b>115.6</b>	<b>144.9</b>
(Increase)/Decrease in debtors	(7.3)	4.5
Decrease/(Increase) in contract assets	11.7	(86.4)
(Increase)/Decrease in inventories	(1.4)	3.1
Increase/(Decrease) in creditors	13.8	(21.6)
Increase/(Decrease) in contract liabilities	1.2	(5.9)
(Increase)/Decrease in amounts owing by immediate holding company	(48.5)	36.8
Decrease/(Increase) in amounts owing by related parties, net	11.5	(1.9)
<b>Cash generated from operations</b>	<b>96.6</b>	<b>73.5</b>
Income taxes paid	(21.2)	(19.2)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>75.4</b>	<b>54.3</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(25.0)	(31.6)
Purchase of intangible assets	(14.8)	(11.4)
Proceeds from disposal of property, plant and equipment	4.3	4.7
Disposal of a subsidiary company, net of cash disposed of	1.6	-
Proceeds from capital reduction of an associated company	-	3.3
Proceeds from disposal of an associated company	4.0	21.0
Investment in associated companies	(1.9)	(32.1)
Interest received from deposits	6.5	5.0
Dividends received from associated and joint venture companies	108.2	104.6
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>82.9</b>	<b>63.5</b>

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>2018-19</b>	<b>2017-18</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of share options	-	1.0
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests	8.8	1.7
Acquisition of additional interest in a subsidiary company	(4.7)	-
Proceeds from borrowings	5.7	3.7
Repayment of borrowings	(9.1)	(6.1)
Interest paid	(0.9)	(0.8)
Dividends paid	(134.3)	(201.5)
Dividends paid by subsidiary companies to non-controlling interests	(3.0)	(3.8)
Purchase of treasury shares	-	(10.1)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(137.5)</b>	<b>(215.9)</b>
<b>NET CASH INFLOW/(OUTFLOW)</b>	<b>20.8</b>	<b>(98.1)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>499.7</b>	<b>601.7</b>
Effect of exchange rate changes	1.1	(3.9)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>521.6</b>	<b>499.7</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short-term deposits	465.8	433.6
Cash and bank balances	55.8	66.1
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>521.6</b>	<b>499.7</b>

**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 FINANCIAL YEAR ENDED 31 MARCH 2019 (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		
<b>Balance at 1 April 2018</b>	<b>420.0</b>	<b>(21.3)</b>	<b>2.8</b>	<b>7.1</b>	<b>(38.9)</b>	<b>3.6</b>	<b>(2.4)</b>	<b>1,112.8</b>	<b>1,483.7</b>	<b>31.3</b>	<b>1,515.0</b>
Profit for the financial year	-	-	-	-	-	-	-	160.9	160.9	0.1	161.0
Actuarial gain on remeasurement of defined benefit plan	-	-	-	-	-	-	-	*	*	0.1	0.1
Foreign currency translation	-	-	-	-	20.0	-	-	-	20.0	0.7	20.7
Realisation of foreign currency translation reserves on disposal of a subsidiary company	-	-	-	-	(0.1)	-	-	-	(0.1)	-	(0.1)
Net fair value adjustment on cash flow hedges	-	-	-	-	-	1.7	-	-	1.7	-	1.7
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	0.8	(6.2)	-	-	(5.4)	-	(5.4)
Other comprehensive income, net of tax	-	-	-	-	20.7	(4.5)	-	-	16.2	0.8	17.0
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20.7</b>	<b>(4.5)</b>	<b>-</b>	<b>160.9</b>	<b>177.1</b>	<b>0.9</b>	<b>178.0</b>
Capital contribution	-	-	-	-	-	-	-	-	-	8.8	8.8
Share-based compensation expense	-	-	-	4.2	-	-	-	-	4.2	-	4.2
Share options lapsed	-	-	-	(2.3)	-	-	-	2.3	-	-	-
Share awards released	-	3.4	-	(3.4)	-	-	-	-	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	(0.1)	0.1	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(134.3)	(134.3)	(3.0)	(137.3)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>3.3</b>	<b>0.1</b>	<b>(1.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(132.0)</b>	<b>(130.1)</b>	<b>5.8</b>	<b>(124.3)</b>
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	(2.1)	-	(2.1)	(2.6)	(4.7)
<b>Changes in ownership interests in a subsidiary company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2.1)</b>	<b>-</b>	<b>(2.1)</b>	<b>(2.6)</b>	<b>(4.7)</b>
<b>Balance at 31 March 2019</b>	<b>420.0</b>	<b>(18.0)</b>	<b>2.9</b>	<b>5.6</b>	<b>(18.2)</b>	<b>(0.9)</b>	<b>(4.5)</b>	<b>1,141.7</b>	<b>1,528.6</b>	<b>35.4</b>	<b>1,564.0</b>

\* Amount less than \$0.1M



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (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		
<b>Balance at 1 April 2017</b>	<b>420.0</b>	<b>(15.2)</b>	<b>2.7</b>	<b>16.0</b>	<b>(68.0)</b>	<b>(0.6)</b>	<b>(2.4)</b>	<b>1,201.5</b>	<b>1,554.0</b>	<b>34.0</b>	<b>1,588.0</b>
Effects of changes in accounting standards	-	-	-	-	68.0	-	-	(82.2)	(14.2)	-	(14.2)
<b>Restated balance at 1 April 2017</b>	<b>420.0</b>	<b>(15.2)</b>	<b>2.7</b>	<b>16.0</b>	<b>-</b>	<b>(0.6)</b>	<b>(2.4)</b>	<b>1,119.3</b>	<b>1,539.8</b>	<b>34.0</b>	<b>1,573.8</b>
Restated profit for the financial year	-	-	-	-	-	-	-	186.8	186.8	1.2	188.0
Actuarial gain on remeasurement of defined benefit plan	-	-	-	-	-	-	-	0.2	0.2	0.1	0.3
Foreign currency translation	-	-	-	-	(38.8)	-	-	-	(38.8)	(1.9)	(40.7)
Realisation of foreign currency translation reserves on disposal of an associated company	-	-	-	-	(0.2)	-	-	-	(0.2)	-	(0.2)
Net fair value adjustment on cash flow hedges	-	-	-	-	-	(0.7)	-	-	(0.7)	-	(0.7)
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	0.1	4.9	-	-	5.0	-	5.0
Other comprehensive income, net of tax	-	-	-	-	(38.9)	4.2	-	0.2	(34.5)	(1.8)	(36.3)
<b>Restated total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38.9)</b>	<b>4.2</b>	<b>-</b>	<b>187.0</b>	<b>152.3</b>	<b>(0.6)</b>	<b>151.7</b>
Capital contribution	-	-	-	-	-	-	-	-	-	1.7	1.7
Share-based compensation expense	-	-	-	2.2	-	-	-	-	2.2	-	2.2
Share awards released	-	2.9	-	(3.2)	-	-	-	0.3	-	-	-
Share options lapsed	-	-	-	(7.7)	-	-	-	7.7	-	-	-
Purchase of treasury shares	-	(10.1)	-	-	-	-	-	-	(10.1)	-	(10.1)
Treasury shares reissued pursuant to equity compensation plans	-	1.1	0.1	(0.2)	-	-	-	-	1.0	-	1.0
Dividends	-	-	-	-	-	-	-	(201.5)	(201.5)	(3.8)	(205.3)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(6.1)</b>	<b>0.1</b>	<b>(8.9)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(193.5)</b>	<b>(208.4)</b>	<b>(2.1)</b>	<b>(210.5)</b>
<b>Balance at 31 March 2018</b>	<b>420.0</b>	<b>(21.3)</b>	<b>2.8</b>	<b>7.1</b>	<b>(38.9)</b>	<b>3.6</b>	<b>(2.4)</b>	<b>1,112.8</b>	<b>1,483.7</b>	<b>31.3</b>	<b>1,515.0</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (IN \$ MILLION)**

<b>The Company</b>	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
<b>Balance at 1 April 2018</b>	<b>420.0</b>	<b>(21.3)</b>	<b>2.8</b>	<b>7.1</b>	<b>(0.3)</b>	<b>824.1</b>	<b>1,232.4</b>
Profit for the financial year	-	-	-	-	-	176.0	176.0
Other comprehensive income, net of tax:							
Net fair value adjustment on cash flow hedges	-	-	-	-	1.7	-	1.7
Other comprehensive income, net of tax	-	-	-	-	1.7	-	1.7
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.7</b>	<b>176.0</b>	<b>177.7</b>
Share-based compensation expense	-	-	-	4.2	-	-	4.2
Share options lapsed	-	-	-	(2.3)	-	2.3	-
Share awards released	-	3.4	-	(3.4)	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	(0.1)	0.1	-	-	-	-
Dividends	-	-	-	-	-	(134.3)	(134.3)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>3.3</b>	<b>0.1</b>	<b>(1.5)</b>	<b>-</b>	<b>(132.0)</b>	<b>(130.1)</b>
<b>Balance at 31 March 2019</b>	<b>420.0</b>	<b>(18.0)</b>	<b>2.9</b>	<b>5.6</b>	<b>1.4</b>	<b>868.1</b>	<b>1,280.0</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (IN \$ MILLION)**

<b>The Company</b>	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
<b>Balance at 1 April 2017</b>	<b>420.0</b>	<b>(15.2)</b>	<b>2.7</b>	<b>16.0</b>	<b>0.4</b>	<b>844.7</b>	<b>1,268.6</b>
Effects of changes in accounting standards	-	-	-	-	-	(14.2)	(14.2)
<b>Restated balance at 1 April 2017</b>	<b>420.0</b>	<b>(15.2)</b>	<b>2.7</b>	<b>16.0</b>	<b>0.4</b>	<b>830.5</b>	<b>1,254.4</b>
Restated profit for the financial year	-	-	-	-	-	187.1	187.1
Other comprehensive income, net of tax:							
Net fair value adjustment on cash flow hedges	-	-	-	-	(0.7)	-	(0.7)
Other comprehensive income, net of tax	-	-	-	-	(0.7)	-	(0.7)
<b>Restated total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.7)</b>	<b>187.1</b>	<b>186.4</b>
Share-based compensation expense	-	-	-	2.2	-	-	2.2
Share awards released	-	2.9	-	(3.2)	-	0.3	-
Share options lapsed	-	-	-	(7.7)	-	7.7	-
Purchase of treasury shares	-	(10.1)	-	-	-	-	(10.1)
Treasury shares reissued pursuant to equity compensation plans	-	1.1	0.1	(0.2)	-	-	1.0
Dividends	-	-	-	-	-	(201.5)	(201.5)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(6.1)</b>	<b>0.1</b>	<b>(8.9)</b>	<b>-</b>	<b>(193.5)</b>	<b>(208.4)</b>
<b>Balance at 31 March 2018</b>	<b>420.0</b>	<b>(21.3)</b>	<b>2.8</b>	<b>7.1</b>	<b>(0.3)</b>	<b>824.1</b>	<b>1,232.4</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

## **SHARE CAPITAL AND SHARE PLANS IN THE COMPANY**

### **(A) Share Capital**

During the financial year, there was no issuance of new ordinary shares.

<b>Group and Company</b>	<b>Number of Shares</b>	<b>Share Capital (\$ Million)</b>
Issued and fully paid share capital <u>Ordinary Shares</u> Balance at 1 April 2018 and 31 March 2019	1,124,116,360	420.0

As at 31 March 2019, the Company has an issued share capital of 1,124,116,360 ordinary shares (31 March 2018: 1,124,116,360 ordinary shares) of which 5,005,974 were held by the Company as treasury shares (31 March 2018: 5,928,957). The treasury shares held represents 0.4% (31 March 2018: 0.5%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 March 2019 and 31 March 2018.

### **(B) Employee Share Option Plan**

- (i) All share options under the Employee Share Option Plan had expired as of 30 June 2018. As at 31 March 2019, there were no share options of the Company outstanding (31 March 2018: 4,139,200).
- (ii) During the financial year, no options were exercised under the Plan. During the prior financial year, the Company issued 275,996 shares, all of which were reissued treasury shares, upon the exercise of options granted under the Plan.

### (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 March 2019, the number of outstanding shares granted under the Company's RSP and PSP were 2,010,515 (31 March 2018: 1,681,077) and 497,631 (31 March 2018: 385,187) respectively. The movement of these share awards during the financial year ended 31 March 2019 is as follows:

#### **RSP**

Date of grant	Balance at 01.04.2018/ Date of grant	Adjustments *	Cancelled	Released	Balance at 31.03.2019
07.07.2014	46,799	-	-	(46,799)	-
06.07.2015	361,726	-	(5,229)	(193,551)	162,946
07.07.2016	420,890	-	(7,750)	(220,321)	192,819
07.07.2017	851,662	423,737	(49,281)	(443,188)	782,930
06.07.2018	898,280	-	(26,460)	-	871,820
Total	2,579,357	423,737	(88,720)	(903,859)	2,010,515

\* Adjustments 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 01.04.2018/ Date of grant	Adjustments *	Cancelled	Released	Balance at 31.03.2019
06.07.2015	62,856	(43,371)	(361)	(19,124)	-
07.07.2016	129,044	-	-	-	129,044
07.07.2017	193,287	-	-	-	193,287
06.07.2018	175,300	-	-	-	175,300
Total	560,487	(43,371)	(361)	(19,124)	497,631

\* Adjustments 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 March 2019, the Company has an issued share capital of 1,119,110,386 ordinary shares (31 March 2018: 1,118,187,403) excluding 5,005,974 ordinary shares (31 March 2018: 5,928,957) 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 financial year, the Company did not purchase any treasury shares (2017-18: 2,819,700). The Company transfer 922,983 treasury shares to employees on vesting of share-based incentive plans (2017-18: 275,996 treasury shares to employees on exercise of share options and another 804,399 treasury shares on vesting of share-based incentive plans).

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

<b>Group and Company</b>	<b>Number of Shares</b>	<b>Treasury Shares (\$ Million)</b>
<u>Treasury shares</u>		
Balance at 1 April 2018	5,928,957	21.3
Treasury shares transferred on vesting of share-based incentives plans	(922,983)	(3.3)
Balance at 31 March 2019	5,005,974	18.0

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company has no subsidiary holdings as at 31 March 2019 and 31 March 2018. There were no sales, transfers, cancellation and/or use of subsidiary holdings for financial year ended 31 March 2019.

**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 financial statements have been audited in accordance with Singapore Standards on Auditing.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

See attached auditor's report.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

As required by the listing rules of the Singapore Exchange, the Group has applied Singapore Financial Reporting Standards (International) ("SFRS(I)") with effect from 1 April 2018. The Group's financial statements for the financial year ending 31 March 2019 will be prepared in accordance with SFRS(I), and International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to the audited financial statements as at 31 March 2018 except for the adoption of the Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are mandatory for financial year beginning on or after 1 April 2018 (details as shown in paragraph 5 below).

**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.**

The Group has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 April 2018 as follows:

(i) Application of IFRS 1 optional exemptions

IFRS 1 requires that the Group applies IFRS on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective 1 April 2018, restatement of comparatives may be required because IFRS 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. IFRS 1 provides mandatory exceptions and optional exemptions from retrospective application, which are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements.

The Group made the following allowable transition adjustments that have an impact on the financial statements:

- a) Fair value as deemed cost exemption for property, plant and equipment  
The Group elected and regarded the fair values of certain aircraft rotatable spares as their deemed cost at the date of transition to IFRS 1 on 1 April 2017.
  
- b) Foreign currency translation reserve  
The Group elected to reset the foreign currency translation reserve for all foreign operations to zero as at the date of transition to IFRS 1 on 1 April 2017.

(ii) IFRS 15 Revenue from Contracts with Customer

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group adopted IFRS 15 in its financial statements for the year ending 31 March 2019, using the retrospective approach. As a result, the Group has applied all of the requirements of IFRS 15 retrospectively, and the comparative period presented in the 2018/19 financial statements will be restated.

Following the presentation requirements in IFRS 15, the Group has presented the contract assets and contract liabilities separately and the comparative figures have been restated.

The impact on the comparatives for the financial statements of this reporting period on adoption of IFRS 1 and IFRS 15 are as follows:

Consolidated Income Statement (in \$ million)

	<b>4th Quarter 2017-18</b>	<b>2017-18</b>
Decrease in depreciation of property, plant and equipment	0.6	2.4
Increase in taxation	(0.1)	(0.4)
Reversal of realisation of foreign currency translation reserves on disposal of an associated company	0.7	0.7
Increase in profit attributable to owners of the parents	1.2	2.7
Increase in basic earnings per share (cents)	0.11	0.25
Increase in diluted earnings per share (cents)	0.11	0.24

Balance Sheets (in \$ million)

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Mar 2018</b>	<b>1 Apr 2017</b>	<b>31 Mar 2018</b>	<b>1 Apr 2017</b>
Increase in foreign currency translation reserve	67.3	68.0	-	-
Decrease in general reserve	(79.5)	(82.2)	(12.2)	(14.2)
Decrease in deferred taxation	(2.3)	(2.7)	(2.3)	(2.7)
Decrease in property, plant and equipment	(13.4)	(15.8)	(13.4)	(15.8)
Decrease in trade debtors	(197.0)	(110.5)	(182.2)	(106.9)
Increase in contract assets	195.7	109.2	180.9	105.6
Decrease in trade and other creditors	(32.5)	(38.4)	(32.4)	(38.4)
Increase in contract liabilities	32.3	38.2	32.2	38.2



**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	
	4th Quarter 2018-19	4th Quarter 2017-18	2018-19	2017-18
Earnings per share (cents)				
- Basic *	4.40	5.02	14.38	16.70
- Diluted #	4.39	5.01	14.35	16.66

\* 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.

**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 Mar 19	As at 31 Mar 18	As at 31 Mar 19	As at 31 Mar 18
Net asset value per share (cents)	136.6	132.7	114.4	110.2

**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**

Financial Year 2018-19

SIAEC Group revenue was \$1,020.9 million, a decrease of \$74.0 million or 6.8%, mainly due to a decline in airframe and fleet management revenue. Expenditure at \$964.1 million was lower by \$52.0 million or 5.1%, largely due to a reduction in material and subcontract costs in line with the lower workload. Operating profit at \$56.8 million was \$22.0 million or 27.9% lower year-on-year.

Share of profits of associated and joint venture companies increased by \$4.1 million or 3.7% to \$113.9 million. Notwithstanding a one-time tax charge and an upward revision in tax provision by certain engine and component centres in FY2018-19 <sup>1</sup>, contributions from the engine and component segment increased \$5.5 million, to \$115.4 million. This was partially offset by a \$1.4 million decrease in contributions from the airframe and line maintenance segment.

Profit attributable to owners of the parent was \$160.9 million for the financial year ended 31 March 2019, a decrease of \$25.9 million or 13.9%. Profit last year included a \$15.0 million gain on the sale of the Group's shares in an associated company, Asian Compressor Technology Services Company Limited ("ACTS").

Basic earnings per share was 14.38 cents for the current financial year.

#### Fourth Quarter FY2018-19

Revenue declined by \$20.4 million or 7.4% to \$256.0 million, mainly from lower fleet management activities. Line maintenance revenue was also lower, mainly due to the loss in revenue contribution from a line maintenance subsidiary divested in the third quarter of FY2018-19. Expenditure decreased \$18.6 million or 7.3% to \$236.6 million, largely due to decreases in material and subcontract costs. Operating profit of \$19.4 million was \$1.8 million or 8.5% lower year-on-year.

Share of profits of associated and joint venture companies increased \$7.3 million or 29.2% to \$32.3 million. Share of profits from the engine and component segment amounted to \$31.8 million, an increase of \$6.5 million or 25.7%, while the contribution of \$0.5 million from the airframe and line maintenance segment was \$0.8 million higher than the same quarter last year.

Profit attributable to owners of the parent of \$49.3 million for the fourth quarter ended 31 March 2019, a decrease of \$6.9 million or 12.3% year-on-year. Excluding the \$15.0 million gain on divestment of ACTS, profit for the current quarter of \$49.3 million would have been \$8.1 million or 19.7% higher than the same period last year.

Basic earnings per share was 4.40 cents for the current quarter.

#### **GROUP FINANCIAL POSITION**

As at 31 March 2019, equity attributable to owners of the parent of \$1,528.6 million was \$44.9 million or 3.0% higher than 31 March 2018. The increase was mainly due to profits earned for the year and gain in foreign currency translation reserve as a result of the strengthening of the US dollar, partially offset by the payment of the final dividend in respect of FY2017-18 and interim dividend for FY2018-19.

Total assets stood at \$1,845.2 million at the end of FY2018-19, an increase of \$41.3 million or 2.3%. The cash balance of the Group as at 31 March 2019 amounted to \$521.6 million, \$21.9 million or 4.4% higher.

Net asset value per share as at 31 March 2019 was 136.6 cents.

<sup>1</sup> *Restructuring plans at the parent company of these associated companies affected certain qualifying criteria of their group tax incentive scheme. In the absence of an agreed revised tax incentive scheme, a one-time tax charge was provided for and tax provision was revised upwards to the prevailing corporate tax rate.*

**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 MRO operating environment remains challenging. Added to that, revenue will be impacted by the unforeseen grounding of customers' aircraft.

Our Transformation journey is gaining traction with some initiatives generating productivity gains and creating capacity for growth. More of such initiatives will be progressively implemented over the next 3 years. We will also continue with our efforts to innovate and adopt technologies to complement these initiatives.

During the year, we had strengthened and expanded our network of strategic partnerships. Our associated company, Eagle Services Asia Pte Ltd, commenced maintenance for the PW1100G engines, which is one of the engines that power the new-generation A320neo aircraft. Joint venture companies ("JVs") formed previously, namely Heavy Maintenance Singapore Services Pte Ltd, Moog Aircraft Services Asia Pte Ltd and Additive Flight Solutions Pte Ltd, have commenced operations during the year. These JVs are in their gestation period and are not expected to be accretive in the near term. We also recently announced the plan to extend our line maintenance network to Thailand, in partnership with NokScoot Airlines Co., Ltd.

We will leverage our portfolio of JVs with strategic partners, diversified service offerings and strong balance sheet to pursue suitable opportunities for sustainable growth.

**ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS) 16 – LEASES**

The SIAEC Group is required to adopt a new leasing standard, IFRS 16 Leases, with effect from 1 April 2019, which replaces the existing International Accounting Standard 17. Under IFRS 16, the Group is required to recognise right-of-use assets and lease liabilities arising from the capitalisation of the present value of future lease payments for all leases. The main changes to the Group's balance sheet for the fiscal year beginning 1 April 2019 are as follows:

- Inclusion of right-of-use assets; and
- Recognition of interest-bearing lease liabilities

The estimated impact on the Group's balance sheet with the adoption of the standard is set out below:

<b>As at 1 April 2019</b>	<b>Increase</b>
	<b>\$ million</b>
Right-of-use Assets	103.4
Lease Liabilities	103.4

As a result of the recognition of right-of-use assets and lease liabilities on the balance sheet, the Group's cost of leasing will be represented by an increase in depreciation expense and finance charges, offset by an absence of lease rental expense. The estimated impact due to this standard is a decrease in the Group's net profit after tax for the next three financial years, as follows:

<b>Decrease in Profit (\$ million)</b>	<b>FY2019-20</b>	<b>FY2020-21</b>	<b>FY2021-22</b>
Pre-tax	1.2	0.6	*
Post-tax	1.2	0.6	*

\* Amount less than \$0.1M

For illustrative purposes, assuming the financial impact of the adoption of IFRS 16 had been effected in the FY2018-19 financial statements, the pro forma financial effects on the Group's financial ratios for the year would have been as follows:

<b>Financial Metrics</b>	<b>FY2018-19 (Actuals)</b>	<b>FY2018-19 (Pro forma)</b>
Earnings per Share (basic) (cents per share)	14.38	14.27
Earnings per Share (diluted) (cents per share)	14.35	14.24
	<b>As at 31 Mar 2018 (Actuals)</b>	<b>As at 31 Mar 2018 (Pro forma)</b>
Net Asset Value (cents per share)	136.6	136.6

## 11. Dividend

### ***(a) Current Financial Period Reported On***

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

Name of dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	3.0 cents per ordinary share	8.0 cents per ordinary share

### ***(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	Final
Dividend Type	Cash	Cash
Dividend Rate	4.0 cents per ordinary share	9.0 cents per ordinary share

### ***(c) Date payable***

The final dividend will be paid on 8 August 2019.

### ***(d) Books closure date***

Notice is hereby given that duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrars, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 up to 5 p.m. on 25 July 2019 will be registered to determine shareholders' entitlements to the final dividend. Thereafter the Share Transfer Books and the Register of Members of the Company will be closed on 26 July 2019 for the preparation of dividend warrants. The final dividend will be paid on 8 August 2019 to members on the Register as at 25 July 2019.

## **12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable

### 13. Interested Person Transactions

(In \$ Million)

The aggregate value of all Interested Person Transactions (“IPTs”) entered into during the Financial Year 2018/19 are as follows:

<b>Name of Interested Person</b>	Aggregate value of all IPTs (excluding all mandated transactions pursuant to Rule 920 of the SGX Listing Manual and transactions less than \$100,000)	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)
<b>Singapore Airlines Group</b> - Singapore Airlines Limited - NokScoot Airlines Co. Ltd - Scoot Tigerair Pte Ltd - SilkAir (Singapore) Pte Ltd	- 4.0 - -	1,842.1* - 1.6 0.2
<b><u>Non-listed Associates of Temasek Holdings (Private) Limited</u></b> - AJI International Pte Ltd - AETOS Training Academy Pte Ltd	- -	25.7 0.2
<b><u>SATS Group</u></b> - SATS Ltd	-	2.0
<b>Total</b>	<b>4.0</b>	<b>1,871.8</b>

\* Includes principal, interest and service fees, in respect of Treasury transactions with SIA.

#### Notes:

1.All the transactions set out in the above are based on records from the Company’s Register of Interested Person Transactions for the financial period under review, and include transactions whose durations exceed the financial period under review and/or multiple transactions with the same interested person. The transactions were based on actual or estimated values of the transactions for the entire duration of the relevant transactions in the case of fixed term contracts or annual/periodic values of the transactions in the case of open-ended contracts, taking into account agreed rates.

2.All the above interested person transactions were done on normal commercial terms.

**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

The Group's businesses are organised and managed separately according to the nature of the services provided. The following tables present revenue and profit information regarding operating segments for the financial years ended 31 March 2019 and 31 March 2018 and certain assets information of the operating segments as at those dates.

<b>2018-19</b> (in \$ million)	<b>Airframe and Line Maintenance</b>	<b>Engine and Component</b>	<b>Total segments</b>	<b>Consolidation eliminations</b>	<b>Per consolidated financial statements</b>
<b>TOTAL REVENUE</b>					
External revenue	991.4	29.5	1,020.9	–	1,020.9
Inter-segment revenue	–	3.0	3.0	(3.0)	–
	991.4	32.5	1,023.9	(3.0)	1,020.9
<b>RESULTS</b>					
Segment results	59.8	(3.0)	56.8	–	56.8
Interest income					8.0
Loss on disposal of an associated company					(0.1)
Surplus on disposal of a subsidiary company					0.3
Share of profits of associated companies, net of tax	(1.5)	75.0	73.5	–	73.5
Share of profits of joint venture companies, net of tax	–	40.4	40.4	–	40.4
Other unallocated amounts					0.2
Profit before taxation					179.1
Taxation expense					(18.1)
Profit for the financial year					161.0
<u>Other segment items</u>					
Depreciation of property, plant and equipment	48.3	1.2	49.5	–	49.5
Amortisation of intangible assets	2.0	2.0	4.0	–	4.0
<u>Segment assets</u>					
Property, plant and equipment	254.4	6.4	260.8	–	260.8
Intangible assets	11.6	35.0	46.6	–	46.6
Investment in associated/ joint venture companies	50.1	508.9	559.0	–	559.0
Prepayments (non-current)		13.8	13.8	–	13.8
Other unallocated assets					965.0
Total assets	316.1	564.1	880.2	–	1,845.2
<b>2017-18</b> (in \$ million)	<b>Airframe and Line Maintenance</b>	<b>Engine and Component</b>	<b>Total segments</b>	<b>Consolidation eliminations</b>	<b>Per consolidated financial statements</b>
<b>TOTAL REVENUE</b>					
External revenue	1,067.2	27.7	1,094.9	–	1,094.9
Inter-segment revenue	–	3.4	3.4	(3.4)	–
	1,067.2	31.1	1,098.3	(3.4)	1,094.9
<b>RESULTS</b>					
Segment results	81.9	(3.1)	78.8	–	78.8
Interest income					4.9
Surplus on disposal of an associated company					15.0
Surplus on dilution of shareholding in an associated company					0.8
Share of profits of associated companies, net of tax	(0.1)	69.6	69.5	–	69.5
Share of profits of joint venture companies, net of tax	–	40.3	40.3	–	40.3
Other unallocated amounts					0.2
Profit before taxation					209.5
Taxation expense					(21.5)
Profit for the financial year					188.0
<u>Other segment items</u>					
Depreciation of property, plant and equipment	47.5	1.0	48.5	–	48.5
Amortisation of intangible assets	2.0	3.4	5.4	–	5.4
Impairment of property, plant and equipment	3.5	–	3.5	–	3.5
<u>Segment assets</u>					
Property, plant and equipment	281.7	5.9	287.6	–	287.6
Intangible assets	9.2	58.5	67.7	–	67.7
Investment in associated/ joint venture companies	52.6	491.8	544.4	–	544.4
Other unallocated assets					904.2
Total assets	343.5	556.2	899.7	–	1,803.9

### Geographical segments

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

<b>(in \$ million)</b>	<b>Revenue</b>		<b>Non-current assets</b>	
	<b>2018-19</b>	<b>2017-18</b>	<b>31 March</b>	
			<b>2019</b>	<b>2018</b>
East Asia #	713.6	800.6	844.7	839.6
Europe *	216.6	203.3	–	–
South West Pacific	39.2	38.5	–	1.1
Americas	22.1	27.7	35.5	59.0
West Asia and Africa	29.4	24.8	–	–
<b>Total</b>	<b>1,020.9</b>	<b>1,094.9</b>	<b>880.2</b>	<b>899.7</b>

# Mainly Singapore

\* Mainly France

Non-current assets' information presented above consists of property, plant and equipment, intangible assets, long-term investment and investments in associates and joint ventures as presented in the consolidated balance sheet.

### **15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments**

For details, please refer to paragraph 8.

### **16. A breakdown of sales.**

	<b>GROUP</b>		
	<b>2018-19</b>	<b>2017-18</b>	<b>Change</b>
	<b>S\$M</b>	<b>S\$M</b>	<b>%</b>
Turnover reported for first half year	509.0	547.5	- 7.0%
Profit after tax reported for the first half year	78.9	75.6	+ 4.4%
Turnover reported for second half year	511.9	547.4	- 6.5%
Profit after tax reported for the second half year	82.1	112.4	- 27.0%



**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Annual Dividend (in \$ million)	2018-19	2017-18
Ordinary dividend		
- Interim	33.6	44.7
- Final <sup>#</sup>	89.5	100.7
Total:	123.1	145.4

# 2018-19 final dividend is estimated based on number of shares outstanding as at the end of the financial year, excluding treasury shares.

**18. Disclosure of person(s) occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, SIA Engineering Company Limited (the "Company") confirms that, to the best of its knowledge, there is no person occupying a managerial position in the Company or in any of its principal subsidiaries, who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

**19. 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**

Lu Ling Ling  
Company Secretary  
10 May 2019

Singapore Co. Regn. No.: 198201025C



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## **Independent Auditors' Report**

Members of the Company  
SIA Engineering Company Limited

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the accompanying financial statements of SIA Engineering Company Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2019, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity of the Group, statement of changes in equity of the Company and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages # to #.

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and the consolidated financial performance, consolidated changes in equity of the Group, changes in equity of the Company and consolidated cash flows of the Group for the year ended on that date.

#### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# *The page numbers are as stated in the Independent Auditors' Report dated 10 May 2019 included in SIA Engineering Company Limited Annual Report for the financial year ended 31 March 2019.*



### **Classification of investments in subsidiaries, associates and joint venture**

Refer to Note 2(d) 'Basis of consolidation' and Note 2(e) 'Subsidiary, associated and joint venture companies' for the relevant accounting policy and a discussion of significant accounting estimates.

#### **Risk**

The Group has a number of strategic alliances with original equipment manufacturers and strategic partners through the joint formation of subsidiaries, associates and joint ventures.

The classification of an investment as a subsidiary, associate or joint venture is based on whether the Group is determined to have control, significant influence or joint control. Such an assessment of the investment classification can be judgemental. Any inappropriate classification can have a material or pervasive effect on the financial statements of the Group.

#### **Our response**

On new investments, we examined the shareholders agreements, reviewed the terms that govern the rights and obligations of the respective investors, and other related terms such as dispute resolution provisions, termination provisions, governance structures and profit-sharing arrangements, so as to establish whether the Group has control, significant influence or joint control over the investees.

On existing investments, we inquired of management if there were any modified terms of arrangements that would change the investment classification previously assessed.

We assessed management's conclusion on the classification of these investments by reference to the applicable financial reporting standards.

#### **Findings**

The Group has examined the relevant terms and conditions governing the individual investments. The classification of these investments is consistent with the Group's accounting policies.



### **Impairment risk on property, plant and equipment (the "PPE")**

Refer to Note 2(1) 'Impairment of non-financial assets' and Note 3 'Significant accounting estimates and critical judgements' for the relevant accounting policy and a discussion of significant accounting estimates.

#### **Risk**

The Group invested heavily in hangars, workshops and other related plant and equipment to support the Group's maintenance, repair and overhaul ("MRO") business as well as rotables to support customers under the Inventory Management Program ("ITM").

There is a risk that the carrying value of these PPE deployed in each of the Group's cash generating unit ("CGU") may exceed the recoverable amount.

Where indicators of impairment exist, the Group uses the discounted cash flow technique to determine the recoverable amounts of the CGU to which the specific PPE belongs to.

The process of identifying indicators of impairment that may exist in each CGU requires judgement. The assessment of the recoverable amount of each CGU is subject to estimation uncertainties.

#### **Findings**

The Group has a process of identifying and reviewing the CGUs for impairment testing. The assumptions and resulting estimates used in the discounted cash flow projections are within an acceptable range.

#### **Our response**

We assessed the appropriateness of identification of CGUs and the allocation of assets to these CGUs.

We reviewed the basis and methodology used to derive the recoverable amounts of the CGUs.

We assessed the key assumptions used in the cash flow projections, namely revenue growth rates, operating costs, gross profit margins, discount rates, terminal growth rates by comparing the assumptions to the past historical performance, the Group's planned productivity and cost initiatives and other available market data for the MRO industry.

We stress-tested the assumptions made by management, including reducing the growth estimates over revenue and gross profit margins.





## **Recognition of revenue and profits on long-term contracts**

Refer to Note 2(q) 'Revenue' and Note 3 'Significant accounting estimates and critical judgements' for the relevant accounting policy and a discussion of significant accounting estimates.

### **Risk**

The Group's contract revenues are derived mainly from airframe maintenance and component overhaul services and fleet management (the "MRO services").

The Group assessed that the performance obligations associated with these MRO services are continuously transferred to the customers over the duration of the contracts; and accordingly, revenue is recognised over time using the input method.

The measurement of the input method involves cost and man-hour estimates, and furthermore, the actual man-hours incurred to estimate the contract revenue earned may be subject to subsequent negotiations with customers.

Any variable consideration arising from variation orders are also subject to customers' approval.

On equity-accounting of the results of the significant associates involved in engine repairs, the Group also applies the input method towards the measurement of revenue over time.

### **Findings**

We found management approach towards revenue recognition to be balanced, as revenue-constraint test is applied on revenue earned that is subject to customer negotiation and subsequent approval.

### **Our response**

We tested the controls designed and implemented by the Group specific to contract evaluation and authorisation, review and approval of project costing, and verification of input method used to measure revenue.

We reviewed the contractual terms of customer contracts to identify the performance obligations, and assessed the basis of revenue recognition.

We challenged management's use of cost and man-hour estimates, and tested them by reference to historical cost experience of comparable contracts. We also checked for the consistent application of the input method used to recognise revenue over time by group entities.

We verified the data used in the input method and any variable consideration to relevant supporting documents.

We assessed the Group's disclosure of the nature, timing and fulfilment of performance obligations and the related revenue recognition policies, alongside with the movements in contract assets and contract liabilities.



*Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for *Chairman's Statement, The Year in Review, Business Segments, AGM Notice and Letter to Shareholders, Corporate Governance, Shareholding Statistics, and Share Price and Turnover* ('the Reports'), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.



*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.





We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Kenny Tan Choon Wah.

  
**KPMG LLP**  
Public Accountants and  
Chartered Accountants

**Singapore**  
10 May 2019