

News Release

ST ENGINEERING POSTS COMPARABLE PBT IN 1H2014 VS 1H2013

FINANCIAL HIGHLIGHTS For the quarter ended 30 June 2014						
	2014 2Q	2013 2Q	Growth %	2014 1H	2013 1H	Growth %
Revenue (\$m)	1,586	1,597	(1)	3,138	3,142	-
Earnings before interest and tax (EBIT) (\$m)	148.2	177.7	(17)	281.7	320.9	(12)
Other income, net (\$m)	5.6	5.2	7	23.0	14.6	58
Finance income/ (costs), net (\$m)	0.9	(6.0)	116	(3.2)	(7.5)	57
Profit before tax (PBT) (\$m)	163.7	186.9	(12)	331.6	345.6	(4)
Profit attributable to shareholders (\$m)	133.2	147.9	(10)	270.4	281.9	(4)
Earnings per share (cents)	4.28	4.78	(11)	8.68	9.11	(5)

- Commercial sales constituted 62% or \$1.0 billion of 2Q2014 revenue
- Order book of \$13.4 billion at end June 2014, of which about \$2.6 billion is expected to be delivered in the second half of 2014
- Cash and cash equivalents including funds under management totalled \$1.8 billion
- Advance payments from customers totalled \$1.8 billion
- Economic value added for first half of 2014 was \$179.8 million (1H2013: \$176.9 million)

N.B.: All currencies are in Singapore dollars

Singapore, 13 August 2014 - Singapore Technologies Engineering Ltd (ST Engineering) announced today that the Group posted quarterly revenue of \$1.59b for the second quarter ended 30 June 2014 (2Q2014), which is comparable with the prior year's revenue in the same period. The Land Systems sector saw lower revenue due to fewer deliveries in its Automotive business group in the second quarter. The other three sectors - Aerospace, Electronics and Marine registered growth of between 6% and 12% year-on-year.

In 2Q2014, all sectors except for the Electronics sector, recorded lower profit before tax (PBT) resulting in a 12% drop in Group PBT to \$163.7m from \$186.9m in the same period last year. PBT for the Aerospace sector was 9% lower at \$72.9m, Land Systems sector was 46% lower at \$18.2m and Marine sector was 31% lower at \$24.7m. PBT for the Electronics sector was comparable at \$48.2m. Net profit after tax (Net Profit) in 2Q2014 for the Group was \$133.2m, representing a 10% decrease from \$147.9m in the same period last year.

Six Months Results

On a half-yearly basis (1H2014), the Group's financial results were comparable to the same period last year. Group revenue stood at \$3.14b, and PBT was \$331.6m compared to \$345.6m while Net Profit was \$270.4m versus \$281.9m. Aerospace sector's revenue of \$1.04b was 6% higher from \$982m while its PBT was comparable at \$147.6m. The Electronics sector posted comparable revenue and PBT of \$749m and \$80.5m respectively. Revenue for the Land Systems sector was \$618m, down 16% from \$738m and its PBT was \$37.1m, down 32% from \$54.6m in 1H2013. The Marine sector posted revenue of \$671m, up 19% from \$565m and PBT of \$56.2m, a decline of 14% from \$65.3m in the same period last year.

“Compared to 2Q2013, 2Q2014 recorded comparable Revenue and a lower PBT.

Compared to 1H2013, the Group reported comparable Revenue and PBT for 1H2014.

Although the global market remains weak and uncertain, the Group has maintained a strong order book of \$13.4b. Cash and cash equivalents including funds under management remained high at \$1.8b after payment of the final dividend for FY2013 of \$374m.

The Board of Directors has approved the payment of an interim ordinary dividend of 4 cents per share, payable on 4 September 2014.

Barring unforeseen circumstances, the Group expects to achieve comparable Revenue and PBT for FY2014 vis-à-vis FY2013.”

~ TAN Pheng Hock
President & CEO, ST Engineering

Business Highlights

In 2Q2014, commercial sales accounted for 62% or \$1b of Group revenue. Order book stood at \$13.4b as of the end of June 2014, and the Group expects to deliver \$2.6b worth of orders in the remaining year.

Total contracts worth about \$1.2b were announced in 2Q2014. The Aerospace sector announced \$520m worth of contracts for airframe, component and engine maintenance, freighter conversion, cabin modification, engine wash and pilot training. The contracts included a five-year agreement with a regional US airline for heavy maintenance of 42 Embraer E-170 and E-175 aircraft at the sector's San Antonio facility. The Electronics sector announced contracts of about \$580m for its intelligent transportation, satellite and broadband communications, as well as advanced electronics and Information Communications Technologies solutions. The Land Systems arm secured a \$100m contract for the supply of 40 MAN A24 articulated buses and 332 MAN A22 12-metre buses to SMRT Buses Ltd.

Interim Dividend

The interim ordinary dividend of 4 cents per ordinary share, as approved by the Board will be paid out to shareholders on 4 September 2014.

ST Engineering (Singapore Technologies Engineering Ltd) is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenue of \$6.63b in FY2013 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, FTSE ASEAN 40 Index, MSCI Singapore and other indices. ST Engineering has more than 23,000 employees worldwide, and over 100 subsidiaries and associated companies in 46 cities across 24 countries. Please visit www.stengg.com for more information.

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SINGAPORE TECHNOLOGIES ENGINEERING LTD
UNAUDITED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

1 CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	GROUP					
	2Q2014	2Q2013	+ / (-)	1H2014	1H2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1,586,426	1,597,326	(0.7)	3,138,181	3,142,065	(0.1)
Cost of sales	(1,245,493)	(1,237,459)	0.6	(2,471,411)	(2,452,132)	0.8
Gross profit	340,933	359,867	(5.3)	666,770	689,933	(3.4)
Distribution and selling expenses	(44,583)	(40,696)	9.6	(94,367)	(81,891)	15.2
Administrative expenses	(119,798)	(115,382)	3.8	(233,418)	(234,306)	(0.4)
Other operating expenses	(28,347)	(26,120)	8.5	(57,309)	(52,834)	8.5
Profit from operations	148,205	177,669	(16.6)	281,676	320,902	(12.2)
Other income	5,958	5,697	4.6	23,811	15,537	53.3
Other expenses	(369)	(468)	(21.2)	(792)	(925)	(14.4)
Other income, net	5,589	5,229	6.9	23,019	14,612	57.5
Finance income	16,550	27,853	(40.6)	24,511	29,340	(16.5)
Finance costs	(15,605)	(33,863)	(53.9)	(27,706)	(36,833)	(24.8)
Finance income/(costs), net	945	(6,010)	(115.7)	(3,195)	(7,493)	(57.4)
Share of results of associates and jointly controlled entities, net of tax	9,016	10,036	(10.2)	30,128	17,570	71.5
Profit before taxation	163,755	186,924	(12.4)	331,628	345,591	(4.0)
Taxation	(29,928)	(37,142)	(19.4)	(60,228)	(62,087)	(3.0)
Profit for the period	133,827	149,782	(10.7)	271,400	283,504	(4.3)
Attributable to:						
Shareholders of the Company	133,158	147,889	(10.0)	270,381	281,909	(4.1)
Non-controlling interests	669	1,893	(64.7)	1,019	1,595	(36.1)
	133,827	149,782	(10.7)	271,400	283,504	(4.3)

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

		GROUP				
		2Q2014	2Q2013	+ / (-)	1H2014	1H2013
		\$'000	\$'000	%	\$'000	\$'000
				%		%
1.1	Profit from operations is arrived at after charging / (crediting) the following:					
	Depreciation and amortisation	40,875	32,498	25.8	81,299	67,629
	The higher depreciation and amortisation in 2Q2014 mainly came from Aerospace, Electronics and Marine sectors.					
	Allowance / (write-back of allowance) for doubtful debts & bad debts written off, net	3,445	(2,700)	(227.6)	5,289	(105)
	The allowance for doubtful debts, net in 2Q2014 mainly came from Land Systems sector, while the write-back of allowance for doubtful debts, net in 2Q2013 mainly came from Aerospace and Electronics sectors.					
	Allowance for inventory obsolescence, net	5,620	3,233	73.8	14,501	10,306
	The higher allowance for inventory obsolescence, net in 2Q2014 mainly came from Aerospace sector.					
1.2	Finance income/(costs), net comprises:					
	Interest income	6,562	7,027	(6.6)	12,949	13,503
	Foreign exchange gain/(loss), net	263	(2,276)	(111.6)	1,461	(2,453)
	Fair value changes of financial instruments / hedged items	2,326	(3,581)	(165.0)	(401)	164
	Gain on disposal of investments, net	497	4,645	(89.3)	2,483	4,422
	Write-back of impairment losses on investments	-	-	-	-	9
	Interest expenses	(8,732)	(11,840)	(26.3)	(19,766)	(23,185)
	Others	29	15	93.3	79	47
		<u>945</u>	<u>(6,010)</u>	<u>(115.7)</u>	<u>(3,195)</u>	<u>(7,493)</u>
1.3	Profit for the period as a percentage of revenue	8.4%	9.4%		8.6%	9.0%
1.4	Profit attributable to shareholders as a percentage of share capital and reserves at end of the period	6.7%	8.0%		13.6%	15.2%
1.5	The Group's tax charge in 2Q2014 included adjustments for overprovision of current tax of \$2.8 million and overprovision of deferred tax of \$1.7 million in respect of prior years (2Q2013: Adjustments for overprovision of current tax of \$3.7 million).					
1.6	There was a disposal of property due to factory relocation in 2Q2014 by Land Systems sector. Arising from government compensation for the relocation, there was no profit and loss impact.					

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

	GROUP		
	2014 \$'000	2013 \$'000	+ / (-) %
Revenue reported for first quarter	1,551,755	1,544,739	0.5
Profit for the period reported for first quarter	137,573	133,722	2.9
Revenue reported for second quarter	1,586,426	1,597,326	(0.7)
Profit for the period reported for second quarter	133,827	149,782	(10.7)
Revenue reported for first half year	3,138,181	3,142,065	(0.1)
Profit for the period reported for first half year	271,400	283,504	(4.3)

1(c) EARNINGS PER ORDINARY SHARE (EPS)

	GROUP				
	2Q2014	2Q2013	1H2014	1H2013	FY2013
EPS based on profit attributable to shareholders:	Cents	Cents	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares on issue	4.28	4.78	8.68	9.11	18.73
(ii) On a fully diluted basis	4.27	4.77	8.67	9.10	18.67

2 BALANCE SHEETS

	GROUP		COMPANY	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,527,568	1,520,404	5,205	1,434
Subsidiaries	-	-	1,188,522	927,728
Associates and jointly controlled entities	462,640	462,139	17,657	17,657
Investments	170,883	166,033	-	-
Intangible assets	640,524	638,408	-	-
Long-term receivables, non-current	9,174	12,528	-	-
Finance lease receivables, non-current	2,132	2,679	-	-
Deferred tax assets	94,283	95,634	6,400	7,200
Amounts due from related parties, non-current	7,364	7,430	259,572	258,874
Derivative financial instruments, non-current	20,041	39,978	94	77
	2,934,609	2,945,233	1,477,450	1,212,970
Current assets				
Inventories and work-in-progress	1,970,718	1,807,509	-	-
Trade receivables	1,007,891	1,221,937	-	-
Amounts due from related parties, current	48,919	40,076	265,869	504,498
Advances and other receivables	607,582	598,210	990	9,827
Long-term receivables, current	9,396	12,508	-	-
Finance lease receivables, current	10,935	16,447	-	-
Short-term investments	34,911	134,581	-	-
Bank balances and other liquid funds	1,578,724	1,930,140	262,841	470,124
	5,269,076	5,761,408	529,700	984,449
TOTAL ASSETS	8,203,685	8,706,641	2,007,150	2,197,419
EQUITY AND LIABILITIES				
Current liabilities				
Advance payments from customers, current	737,041	878,895	-	-
Trade payables and accruals, current	1,510,969	1,604,740	20,486	25,017
Amounts due to related parties, current	32,566	24,953	1,853	98,946
Provisions	219,067	218,910	-	-
Progress billings in excess of work-in-progress	868,359	734,725	-	-
Provision for taxation	164,434	197,139	7,681	11,666
Short-term bank loans	32,825	139,842	-	-
Long-term bank loans, current	23,746	292,789	-	-
Lease obligations, current	1,612	1,321	-	-
Other loans, current	371	369	-	-
	3,590,990	4,093,683	30,020	135,629
NET CURRENT ASSETS	1,678,086	1,667,725	499,680	848,820

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

	GROUP		COMPANY	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Advance payments from customers, non-current	1,020,738	857,496	-	-
Trade payables and accruals, non-current	340,123	353,701	17,164	18,817
Deferred tax liabilities	96,710	94,867	-	-
Bonds	622,796	631,283	-	-
Long-term bank loans, non-current	283,381	288,867	-	-
Lease obligations, non-current	17,261	18,150	-	-
Other loans, non-current	489	564	-	-
Deferred income	88,591	83,695	-	-
Other long-term payables, non-current	1,500	1,500	-	-
Derivative financial instruments, non-current	9,275	22,515	-	-
Amounts due to related parties, non-current	-	406	642,411	553,192
	2,480,864	2,353,044	659,575	572,009
TOTAL LIABILITIES	6,071,854	6,446,727	689,595	707,638
NET ASSETS	2,131,831	2,259,914	1,317,555	1,489,781
Share capital and reserves				
Share capital	884,574	852,611	884,574	852,611
Capital reserves	116,323	116,323	-	-
Other reserves	(97,788)	(44,651)	62,554	72,754
Retained earnings	1,088,257	1,191,958	370,427	564,416
	1,991,366	2,116,241	1,317,555	1,489,781
Non-controlling interests	140,465	143,673	-	-
	2,131,831	2,259,914	1,317,555	1,489,781
TOTAL EQUITY AND LIABILITIES	8,203,685	8,706,641	2,007,150	2,197,419

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

Compared to 31 December 2013, the increase in non-current liabilities was mainly attributable to an increase in advance payments from customers.

2(b) GROUP BORROWINGS

	As at 30-Jun-14 \$'000	As at 31-Dec-13 \$'000
<u>Amount repayable within one year</u>		
Secured	17,647	28,534
Unsecured	40,907	405,787
	<u>58,554</u>	<u>434,321</u>
<u>Amount repayable after one year</u>		
Secured	76,061	79,290
Unsecured	847,866	859,574
	<u>923,927</u>	<u>938,864</u>
Total	<u>982,481</u>	<u>1,373,185</u>

2(c) NET ASSET VALUE

	GROUP		
	2Q2014	2Q2013	FY2013
	Cents	Cents	Cents
Net asset value per ordinary share at end of the financial period/year	63.86	59.63	68.14

	COMPANY		
	2Q2014	2Q2013	FY2013
	Cents	Cents	Cents
Net asset value per ordinary share at end of the financial period/year	42.25	38.93	47.97

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	GROUP			
	2Q2014	2Q2013	1H2014	1H2013
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before taxation	163,755	186,924	331,628	345,591
<u>Adjustments:</u>				
Share of results of associates and jointly controlled entities, net of tax	(9,016)	(10,036)	(30,128)	(17,570)
Depreciation charge	37,458	29,020	74,420	60,701
Property, plant and equipment written off	42	444	85	1,840
Gain on disposal of property, plant and equipment	(135)	(58)	(497)	(69)
Gain on disposal of investments	(497)	(4,645)	(2,483)	(4,422)
Write-back of Impairment losses on investment	-	-	-	(9)
Write-back of impairment losses of property, plant and equipment	-	(35)	-	(35)
Share-based payment expense	5,704	4,314	8,464	7,148
Changes in fair value of financial instruments and hedged items	(2,326)	3,581	401	(164)
Changes in fair value of financial instruments held for trading	(28)	(15)	(78)	(47)
Interest expenses	8,732	11,840	19,766	23,185
Interest income	(6,562)	(7,027)	(12,949)	(13,503)
Dividends from investments	(1)	-	(1)	-
Amortisation of other intangible assets	3,417	3,478	6,879	6,928
Operating profit before working capital changes	200,543	217,785	395,507	409,574
<u>(Increase)/decrease in:</u>				
Inventories and work-in-progress	(113,502)	(65,438)	(138,884)	(26,703)
Progress billings in excess of work-in-progress	47,137	(36,839)	133,634	(42,248)
Trade receivables	88,932	19,639	214,046	108,283
Advance payments to suppliers	15,713	(37,750)	(52,793)	(10,905)
Other receivables, deposits and prepayments	26,563	5,583	(4,791)	(23,963)
Holding company and related corporations balances, net	7,243	1,571	3,762	1,298
Amount due from associates	909	541	(443)	(4,444)
Amount due from jointly controlled entities	558	2,068	(8,091)	1,356
Trade payables	27,587	(50,970)	25,221	(31,527)
Advance payments from customers	60,975	(105,529)	21,388	206,539
Other payables, accruals and provisions	(19,643)	83,321	(123,699)	(71,508)
Loans to staff and third parties	6,172	5,431	6,342	5,307
Deferred income	(4,372)	15,259	(1,384)	15,230
Foreign currency translation of foreign operations	(6,858)	(8,287)	(624)	2,781
Cash generated from operations	337,957	46,385	469,191	539,070
Interest received	7,646	5,723	15,992	12,556
Income tax paid	(44,189)	(49,643)	(87,292)	(68,163)
Net cash from operating activities	301,414	2,465	397,891	483,463

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (cont'd)

	GROUP			
	2Q2014	2Q2013	1H2014	1H2013
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	252	767	1,137	6,247
Proceeds from sale of an investment property	-	-	22,000	-
Proceeds from sale and maturity of investments	40,660	29,770	116,906	49,543
Repayment of loan from a jointly controlled entity	3,136	-	3,136	-
Dividends from associates and jointly controlled entities	7,653	7,864	23,482	26,008
Dividends from investments	1	-	1	-
Purchase of property, plant and equipment	(51,820)	(57,343)	(112,008)	(130,538)
Purchase of investments	(13,188)	(26,888)	(20,419)	(46,328)
Investment in associates	-	-	-	(7,632)
Investment in a jointly controlled entity	-	-	-	(5,819)
Acquisition of other intangible assets	(4,071)	(17,637)	(16,233)	(50,155)
Acquisition of controlling interests in subsidiary, net of cash acquired	(1,008)	-	(1,008)	-
Net cash (used in)/from investing activities	(18,385)	(63,467)	16,994	(158,674)
Cash flows from financing activities				
Capital contribution from non-controlling interests of subsidiaries	2,477	-	2,477	15,710
Repayment of other loans	(35)	(154)	(73)	(186)
Repayment of bank loans	(68,585)	(129,274)	(380,262)	(129,771)
Repayment of lease obligations	(95)	(40)	(593)	(58)
Proceeds from issue of shares	4,869	12,408	13,299	47,074
Proceeds from bank loans	6,281	132,725	6,281	167,188
Proceeds from other loans	1	938	1	938
Dividends paid to shareholders of the Company	(374,082)	(428,137)	(374,082)	(428,137)
Dividends paid to non-controlling interests	(3,308)	(3,254)	(5,348)	(5,183)
Interest paid	(703)	(4,910)	(19,161)	(23,318)
Deposit pledged	(2,056)	(2,774)	(2,129)	(60)
Net cash used in financing activities	(435,236)	(422,472)	(759,590)	(355,803)
Net decrease in cash and cash equivalents	(152,207)	(483,474)	(344,705)	(31,014)
Cash and cash equivalents at beginning of the period	1,722,529	2,155,466	1,920,924	1,700,950
Exchange difference on cash and cash equivalents at beginning of the period	(2,943)	10,513	(8,840)	12,569
Cash and cash equivalents at end of the period	1,567,379	1,682,505	1,567,379	1,682,505

3(a) ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS

Compared to 2Q2013, net cash from operating activities of \$301 million in 2Q2014 was higher by \$299 million. This was mainly due to favourable working capital movements arising mainly from the positive variances in progress billings in excess of work-in-progress, trade payables, trade receivables and advance payments from customers, but these were partially offset by negative variances in other receivables, accruals and provisions.

The Group's net cash used in investing activities of \$18 million in 2Q2014 was lower than that of 2Q2013 by \$45 million. The lower cash outflow was mainly attributable to lower acquisition of other intangible assets and higher proceeds from sale and maturity of investment in bonds.

3(a) **ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS** (cont'd)

The Group's net cash used in financing activities of \$435 million in 2Q2014 was higher than that of 2Q2013 by \$13 million, mainly attributable to lower net proceeds from bank loans, partially offset by lower dividends paid to shareholders.

Compared to end 1Q2014, the cash and cash equivalents as at end of 2Q2014 at \$1,567 million was \$156 million lower, following the payment of the 2013 final dividends in May 2014.

4 **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

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

	GROUP					
	2Q2014	2Q2013	+ / (-)	1H2014	1H2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period	133,827	149,782	(10.7)	271,400	283,504	(4.3)
Other comprehensive income						
Net fair value changes on available-for-sale financial assets	951	(8,963)	(110.6)	126	(8,293)	(101.5)
Net fair value changes on cash flow hedges	(10,990)	23,534	(146.7)	(14,355)	8,873	(261.8)
Foreign currency translation differences	(14,029)	28,733	(148.8)	(28,726)	42,977	(166.8)
Share of foreign currency translation differences of associates and jointly controlled entities	1,824	6,060	(69.9)	(1,338)	6,667	(120.1)
Other comprehensive income for the period, net of tax	(22,244)	49,364	(145.1)	(44,293)	50,224	(188.2)
Total comprehensive income for the period, net of tax	111,583	199,146	(44.0)	227,107	333,728	(31.9)
Total comprehensive income attributable to:						
Shareholders of the Company	111,204	195,871	(43.2)	227,484	330,139	(31.1)
Non-controlling interests	379	3,275	(88.4)	(377)	3,589	(110.5)
	111,583	199,146	(44.0)	227,107	333,728	(31.9)

5 STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2014

Group	Share capital	Capital reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1.4.2013	834,349	116,323	(150,901)	1,266,664	2,066,435	132,010	2,198,445
Total comprehensive income for the period							
Profit for the period	-	-	-	147,889	147,889	1,893	149,782
Other comprehensive income							
Net fair value changes on available-for-sale financial assets	-	-	(8,963)	-	(8,963)	-	(8,963)
Net fair value changes on cash flow hedges	-	-	24,033	-	24,033	(499)	23,534
Foreign currency translation differences	-	-	26,852	-	26,852	1,881	28,733
Share of foreign currency translation of associates and jointly controlled entities	-	-	6,060	-	6,060	-	6,060
<i>Other comprehensive income for the period, net of tax</i>	-	-	47,982	-	47,982	1,382	49,364
Total comprehensive income for the period, net of tax	-	-	47,982	147,889	195,871	3,275	199,146
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Issue of shares	13,094	-	(686)	-	12,408	-	12,408
Cost of share-based payment	-	-	4,283	-	4,283	31	4,314
Dividends paid	-	-	-	(428,137)	(428,137)	-	(428,137)
Dividends paid to non-controlling interests	-	-	-	-	-	(3,254)	(3,254)
<i>Total contributions by and distributions to owners of the Company</i>	<i>13,094</i>	<i>-</i>	<i>3,597</i>	<i>(428,137)</i>	<i>(411,446)</i>	<i>(3,223)</i>	<i>(414,669)</i>
Total transactions with owners of the Company	13,094	-	3,597	(428,137)	(411,446)	(3,223)	(414,669)
Acquisition of controlling interests in subsidiary	-	-	-	-	-	3,536	3,536
At 30.6.2013	847,443	116,323	(99,322)	986,416	1,850,860	135,598	1,986,458

5 STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (cont'd)

Group	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1.4.2014	877,760	116,323	(79,564)	1,329,181	2,243,700	140,888	2,384,588
Total comprehensive income for the period							
Profit for the period	-	-	-	133,158	133,158	669	133,827
Other comprehensive income							
Net fair value changes on available-for-sale financial assets	-	-	951	-	951	-	951
Net fair value changes on cash flow hedges	-	-	(11,197)	-	(11,197)	207	(10,990)
Foreign currency translation differences	-	-	(13,532)	-	(13,532)	(497)	(14,029)
Share of foreign currency translation difference of associates and jointly controlled entities	-	-	1,824	-	1,824	-	1,824
<i>Other comprehensive income for the period, net of tax</i>	-	-	(21,954)	-	(21,954)	(290)	(22,244)
Total comprehensive income for the year, net of tax	-	-	(21,954)	133,158	111,204	379	111,583
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Issue of shares	6,814	-	(1,945)	-	4,869	-	4,869
Capital contribution by non-controlling interests	-	-	-	-	-	2,477	2,477
Cost of share-based payment	-	-	5,675	-	5,675	29	5,704
Dividends paid	-	-	-	(374,082)	(374,082)	-	(374,082)
Dividends paid to non-controlling interests	-	-	-	-	-	(3,308)	(3,308)
<i>Total contributions by and distributions to owners of the Company</i>	6,814	-	3,730	(374,082)	(363,538)	(802)	(364,340)
Total transactions with owners of the Company	6,814	-	3,730	(374,082)	(363,538)	(802)	(364,340)
At 30.6.2014	884,574	116,323	(97,788)	1,088,257	1,991,366	140,465	2,131,831

5 STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2014 (cont'd)

Company	Share capital \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1.4.2013	834,349	60,772	550,011	1,445,132
Total comprehensive income for the period				
Profit for the period	-	-	174,681	174,681
Total comprehensive income for the period	-	-	174,681	174,681
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Issue of shares	13,094	(686)	-	12,408
Cost of share-based payment	-	4,314	-	4,314
Dividends paid	-	-	(428,137)	(428,137)
<i>Total contributions by and distributions to owners of the Company</i>	13,094	3,628	(428,137)	(411,415)
At 30.6.2013	847,443	64,400	296,555	1,208,398
At 1.4.2014	877,760	58,795	539,764	1,476,319
Total comprehensive income for the year				
Profit for the period	-	-	204,745	204,745
Total comprehensive income for the period	-	-	204,745	204,745
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Issue of shares	6,814	(1,945)	-	4,869
Cost of share-based payment	-	5,704	-	5,704
Dividends paid	-	-	(374,082)	(374,082)
<i>Total contributions by and distributions to owners of the Company</i>	6,814	3,759	(374,082)	(363,509)
At 30.6.2014	884,574	62,554	370,427	1,317,555

5(a) CHANGES IN COMPANY'S SHARE CAPITAL

Issued and paid up capital

As at 30 June 2014, the Company has an issued share capital of 3,118,110,878 ordinary shares (31 December 2013: 3,105,903,530 ordinary shares).

As at 30 June 2014, the Company did not hold any treasury shares (30 June 2013: Nil).

	Number of shares for the quarter ended 30.6.2014
As at beginning of the quarter	3,115,903,284
Issue of shares under the terminated Singapore Technologies Engineering Share Option Plan (ESOP)	1,709,312
Issue of shares under the Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)	498,282
As at end of the quarter	3,118,110,878

Share Option Plan

As at 30 June 2014, there were 25,329,604 (30 June 2013: 32,682,768) unexercised options of unissued ordinary shares under ESOP.

Performance Share Plan

(i) *Singapore Technologies Engineering Performance Share Plan 2010 (PSP 2010)*

As at 30 June 2014, the total number of contingent shares granted conditionally but not released was 3,753,995 (30 June 2013: 3,839,401). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 6,381,791 (30 June 2013: 6,526,981) ordinary shares of the Company.

Restricted Stock Plan

(i) *Singapore Technologies Engineering Restricted Stock Plan (RSP 2000)*

As at 30 June 2014, the total number of awards released but not vested was nil (30 June 2013: 1,730,925) ordinary shares of the Company.

(ii) *Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)*

As at 30 June 2014, the total number of contingent shares granted conditionally but not released was 10,332,172 (30 June 2013: 8,705,488). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 14,762,647 (30 June 2013: 13,055,732) ordinary shares.

As at 30 June 2014, the total number of awards released but not vested was 3,492,084 (30 June 2013: 3,344,276) ordinary shares of the Company.

6 **AUDIT**

The figures have not been audited or reviewed by the Company's auditors.

7 **AUDITORS' REPORT**

Not applicable.

8 **ACCOUNTING POLICIES**

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

9 **CHANGES IN ACCOUNTING POLICIES**

Not applicable.

10 REVIEW OF GROUP PERFORMANCE

10(a) Revenue

2Q2014 vs 2Q2013

\$m	2Q2014	2Q2013	Growth	
Aerospace	537	506	31	6%
Electronics	380	354	26	7%
Land Systems	293	392	(99)	(25%)
Marine	348	311	37	12%
Others	28	34	(6)	(17%)
Total	1,586	1,597	(11)	(1%)

Group's revenue of \$1,586 million for 2Q2014 was comparable to that of 2Q2013. Lower revenue from Land Systems sector was largely offset by higher revenue recorded by Aerospace, Electronics and Marine sectors. The lower revenue under "Others" was mainly attributable to Miltope.

Aerospace sector's 2Q2014 revenue of \$537 million was 6% or \$31 million higher than that of 2Q2013. Both **Component/Engine Repair & Overhaul (CERO)** and **Engineering & Material Services (EMS)** business groups recorded higher revenue, while **Aircraft Maintenance & Modification** business group had comparable revenue. The higher revenue in **CERO** business group was attributable to higher output from the engines division, partially offset by lower revenue from the components division, while higher revenue from the Maintenance-by-the-Hour (MBH)TM programmes accounted for the higher revenue in the **EMS** business group.

2Q2014 revenue of \$380 million for the Electronics sector was higher than that of 2Q2013 by 7% or \$26 million with higher contribution from **Large-Scale Systems Group (LSG)** and **Software Systems Group (SSG)**. The higher **LSG** revenue was due to milestone completions of the Land Transport Authority's Downtown Line project and the Bangkok MRT project, while more milestone completions of simulator projects accounted for the higher revenue in **SSG**.

Land Systems sector's 2Q2014 revenue of \$293 million was lower than that of 2Q2013 by 25% or \$99 million, mainly attributable to lower revenue in **Automotive** business group with fewer deliveries.

Revenue of Marine sector in 2Q2014 of \$348 million was higher than that of 2Q2013 by 12% or \$37 million, due mainly to higher **Shipbuilding** revenue from the local operation, but partially offset by lower **Shiprepair** revenue.

10 REVIEW OF GROUP PERFORMANCE (cont'd)

10(b) Profitability

2Q2014 vs 2Q2013

\$m	2Q2014	2Q2013	Growth	
Aerospace	72.9	80.3	(7.4)	(9%)
Electronics	48.2	47.3	0.9	2%
Land Systems	18.2	33.6	(15.4)	(46%)
Marine	24.7	35.7	(11.0)	(31%)
Others	(0.3)	(10.0)	9.7	98%
Total	163.7	186.9	(23.2)	(12%)

Group's profit before tax (PBT) for 2Q2014 of \$163.7 million was lower than that of 2Q2013 by 12% or \$23.2 million. Lower PBT was recorded by all sectors except Electronics sector which reported comparable PBT while "Others" reported higher PBT.

Aerospace sector's PBT of \$72.9 million in 2Q2014 was lower than that achieved in 2Q2013 by 9% or \$7.4 million. The lower PBT was due to higher operating expenses and unfavourable foreign exchange impact as well as lower contribution from associates.

PBT for Electronics sector in 2Q2014 of \$48.2 million was comparable to that achieved in 2Q2013. Despite higher revenue, the Sector recorded comparable PBT mainly due to higher operating expenses as well as the absence of a gain on the disposal of an investment recognised in 2Q2013.

Land Systems sector's 2Q2014 PBT of \$18.2 million was lower than that of 2Q2013 by 46% or \$15.4 million. The lower PBT was mainly attributable to lower revenue and higher allowance for doubtful debts, but partially offset by favourable product mix.

PBT of Marine sector in 2Q2014 of \$24.7 million was lower than that of 2Q2013 by 31% or \$11.0 million, mainly due to weaker **Shipbuilding** performance from the US operation.

The higher PBT under "Others" was mainly due to the favourable fair value change of \$2.7 million in 2Q2014 in respect of the cross currency interest rate swaps as well as favourable foreign exchange impact, but partially offset by lower PBT from Miltope in line with the lower revenue.

11 CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group comprising the balance sheets (Group and Company), consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity (Group and Company) and consolidated statement of cash flows and the accompanying notes for the second quarter ended 30 June 2014 to be false or misleading in any material respect.

12 **VARIANCE FROM PROSPECTS STATEMENT**

Compared to the Prospect Statement for the 1Q2014 results announced in May 2014; there are variances highlighted as follows:

- (a) Electronics sector forecasted that PBT for 1H2014 would likely be lower than 1H2013. The Sector is pleased to report that the PBT for 1H2014 is comparable to that of 1H2013, due mainly to better sales mix and lower operating expenses; and
- (b) Marine sector forecasted that PBT for 1H2014 would likely be comparable to 1H2013. However the PBT for 1H2014 is lower than that of 1H2013 and this is attributable to weaker Shipbuilding performance from the US operation and lower Shiprepair revenue.

Other than the variances as mentioned above, there is no other variance from the 1Q2014 Prospects Statement.

13 **PROSPECTS**

Group

Barring unforeseen circumstances, the Group expects to achieve higher Revenue and PBT in 2H2014 compared to that of 1H2014. For FY2014, the Group expects both Revenue and PBT to be comparable to that of FY2013.

Sectors

For the Aerospace sector, 2H2014 Revenue is expected to be comparable, whilst PBT is expected to be higher than that of 1H2014.

For the Electronics and Land Systems sectors, 2H2014 Revenue and PBT are expected to be higher than that of 1H2014.

For the Marine sector, 2H2014 Revenue is expected to be lower, while PBT is expected to be higher than that of 1H2014.

This release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes, as well as natural disasters which may negatively impact business activities of the ST Engineering group. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

14 DIVIDENDS

On 12 August 2014, the Directors approved an interim dividend of 4.0 cents per ordinary share for the financial year ending 31 December 2014.

The financial statements for the quarter ended, and as at 30 June 2014, do not reflect this interim dividend. The dividend will be accounted for in shareholders' equity as an appropriation of Retained Earnings in the quarter ending 30 September 2014.

(a) Current Financial Period Reported On

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

Name of Dividend	Interim tax exempt (1-tier)
Dividend Type	Cash
Dividend Per Share	4.0 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 tax exempt (1-tier)
Dividend Type	Cash
Dividend Per Share	3.0 cents per ordinary share

(c) Books Closure and Dividend Payment Dates

NOTICE IS HEREBY GIVEN THAT The Register of Members and Share Transfer Books will be closed on 21 August 2014 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company together with all relevant documents of title received by M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 20 August 2014 will be registered to determine members' entitlements to the interim dividend. Subject as aforesaid, members whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 20 August 2014 will be entitled to the interim dividend. The interim dividend will be paid on 4 September 2014.

15 BUSINESS SEGMENTAL INFORMATION

By Business Activity

	2Q2014						Group \$'000
	Aerospace \$'000	Electronics \$'000	Land Systems \$'000	Marine \$'000	Others \$'000	Elimination \$'000	
Revenue							
External sales	536,667	380,662	292,959	347,626	28,512	-	1,586,426
Inter-segment sales	2,633	7,538	3,556	265	5,615	(19,607)	-
	<u>539,300</u>	<u>388,200</u>	<u>296,515</u>	<u>347,891</u>	<u>34,127</u>	<u>(19,607)</u>	<u>1,586,426</u>
Reportable segment profit from operations	69,209	47,122	16,320	21,225	(18,503)	12,832	148,205
Other income	1,486	1,563	1,703	1,341	221,263	(221,398)	5,958
Other expenses	(1)	(5)	(361)	(2)	-	-	(369)
Finance income	438	1,259	976	9,163	22,665	(17,951)	16,550
Finance costs	(4,563)	(1,716)	(2,684)	(7,786)	(16,960)	18,104	(15,605)
Share of results of associates and jointly controlled entities, net of tax	6,322	(10)	2,280	706	-	(282)	9,016
Profit before taxation	<u>72,891</u>	<u>48,213</u>	<u>18,234</u>	<u>24,647</u>	<u>208,465</u>	<u>(208,695)</u>	<u>163,755</u>
Taxation	(15,320)	(8,754)	(866)	(3,883)	(1,105)	-	(29,928)
Non-controlling interests	(2,179)	(225)	1,724	(1)	-	12	(669)
Profit attributable to shareholders	<u>55,392</u>	<u>39,234</u>	<u>19,092</u>	<u>20,763</u>	<u>207,360</u>	<u>(208,683)</u>	<u>133,158</u>
Other assets	2,380,922	1,696,531	2,018,249	1,184,466	3,980,463	(3,519,586)	7,741,045
Associates and jointly controlled entities	323,251	830	107,790	4,749	17,681	8,339	462,640
Segment assets	<u>2,704,173</u>	<u>1,697,361</u>	<u>2,126,039</u>	<u>1,189,215</u>	<u>3,998,144</u>	<u>(3,511,247)</u>	<u>8,203,685</u>
Segment liabilities	<u>1,921,603</u>	<u>1,497,981</u>	<u>1,834,715</u>	<u>1,006,081</u>	<u>2,054,304</u>	<u>(2,242,830)</u>	<u>6,071,854</u>
Capital expenditure ⁺	14,110	14,990	16,717	9,302	6,421	-	61,540
Depreciation and amortisation	14,639	8,993	9,106	6,539	1,609	(11)	40,875
Other non-cash expenses	32	3	8	-	-	(1)	42

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

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

	2Q2013						
	Aerospace	Electronics	Land Systems	Marine	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	506,165	354,285	391,825	310,728	34,323	-	1,597,326
Inter-segment sales	1,517	7,890	2,489	16	8,359	(20,271)	-
	<u>507,682</u>	<u>362,175</u>	<u>394,314</u>	<u>310,744</u>	<u>42,682</u>	<u>(20,271)</u>	<u>1,597,326</u>
Reportable segment profit from operations	71,922	42,875	32,154	33,045	(14,094)	11,767	177,669
Other income	1,252	114	2,215	1,784	188,105	(187,773)	5,697
Other expenses	(65)	(2)	(429)	(39)	(13)	80	(468)
Finance income	2,656	5,744	1,398	17,851	16,627	(16,423)	27,853
Finance costs	(4,243)	(1,145)	(2,940)	(17,309)	(28,453)	20,227	(33,863)
Share of results of associates and jointly controlled entities, net of tax	8,834	(324)	1,229	355	-	(58)	10,036
Profit before taxation	80,356	47,262	33,627	35,687	162,172	(172,180)	186,924
Taxation	(13,308)	(9,168)	(8,143)	(7,033)	510	-	(37,142)
Non-controlling interests	(1,659)	(1,014)	751	8	-	21	(1,893)
Profit attributable to shareholders	<u>65,389</u>	<u>37,080</u>	<u>26,235</u>	<u>28,662</u>	<u>162,682</u>	<u>(172,159)</u>	<u>147,889</u>
Other assets	2,391,738	1,579,438	1,953,450	1,042,560	4,061,657	(3,162,723)	7,866,120
Associates and jointly controlled entities	323,242	4,112	106,737	3,070	17,681	3,024	457,866
Segment assets	<u>2,714,980</u>	<u>1,583,550</u>	<u>2,060,187</u>	<u>1,045,630</u>	<u>4,079,338</u>	<u>(3,159,699)</u>	<u>8,323,986</u>
Segment liabilities	<u>2,137,868</u>	<u>1,400,060</u>	<u>1,749,212</u>	<u>870,841</u>	<u>2,331,181</u>	<u>(2,151,634)</u>	<u>6,337,528</u>
Capital expenditure ⁺	35,472	22,283	15,365	11,845	1,059	-	86,024
Depreciation and amortisation	10,023	7,248	9,621	4,321	1,296	(11)	32,498
Write-back of impairment	-	-	(35)	-	-	-	(35)
Other non-cash expenses	378	40	26	-	-	-	444

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

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

By Business Activity

For Revenue and Profit Before Tax of 2Q2014 vis-à-vis 2Q2013, please refer to paragraph 10.

	Profit Attributable to Shareholders		
	2Q2014	2Q2013	+/(-)
	\$'000	\$'000	%
Aerospace	55,392	65,389	(15.3)
Electronics	39,234	37,080	5.8
Land Systems	19,092	26,235	(27.2)
Marine	20,763	28,662	(27.6)
Others	(1,323)	(9,477)	(86.0)
Group	<u>133,158</u>	<u>147,889</u>	(10.0)

	Revenue			Profit Before Tax		
	1H2014	1H2013	+/(-)	1H2014	1H2013	+/(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Aerospace	1,037,577	981,857	5.7	147,572	152,727	(3.4)
Electronics	749,131	778,091	(3.7)	80,518	80,537	-
Land Systems	618,340	737,700	(16.2)	37,057	54,645	(32.2)
Marine	670,732	565,022	18.7	56,179	65,276	(13.9)
Others	62,401	79,395	(21.4)	10,302	(7,594)	(235.7)
Group	<u>3,138,181</u>	<u>3,142,065</u>	(0.1)	<u>331,628</u>	<u>345,591</u>	(4.0)

	Profit Attributable to Shareholders		
	1H2014	1H2013	+/(-)
	\$'000	\$'000	%
Aerospace	115,864	125,886	(8.0)
Electronics	67,850	66,155	2.6
Land Systems	35,673	47,507	(24.9)
Marine	45,875	49,461	(7.3)
Others	5,119	(7,100)	(172.1)
Group	<u>270,381</u>	<u>281,909</u>	(4.1)

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

By Geographical Areas

	Revenue				Revenue			
	2Q2014		2Q2013		1H2014		1H2013	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Asia	867,065	54.7	903,867	56.6	1,732,409	55.2	1,823,865	58.0
USA	408,570	25.7	451,063	28.2	805,453	25.7	868,879	27.7
Europe	67,625	4.3	86,485	5.4	140,653	4.5	212,759	6.8
Others	243,166	15.3	155,911	9.8	459,666	14.6	236,562	7.5
Total	1,586,426	100	1,597,326	100	3,138,181	100	3,142,065	100

By Country of Incorporation

	Revenue				Revenue			
	2Q2014		2Q2013		1H2014		1H2013	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Asia	1,183,324	74.6	1,153,432	72.2	2,364,649	75.4	2,222,379	70.7
USA	371,825	23.4	406,508	25.4	711,610	22.7	821,573	26.1
Europe	18,463	1.2	27,294	1.7	36,059	1.1	80,016	2.6
Others	12,814	0.8	10,092	0.7	25,863	0.8	18,097	0.6
Total	1,586,426	100	1,597,326	100	3,138,181	100	3,142,065	100

	Non-Current Assets *			
	1H2014		1H2013	
	\$'000	%	\$'000	%
Asia	1,929,710	68.4	1,891,513	68.8
USA	731,968	26.0	693,850	25.2
Europe	58,634	2.1	73,019	2.7
Others	99,973	3.5	91,668	3.3
Total	2,820,285	100	2,750,050	100

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

16 INTERESTED PERSON TRANSACTIONS

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

	2Q2014 \$'000	2Q2013 \$'000
Transactions for the Sale of Goods and Services		
SembCorp Marine Ltd and its Associates	-	6,399
SMRT Corporation Ltd and its Associates	120,130	-
Temasek Holdings (Private) Limited and its Associates (non-listed)	100	854
	120,230	7,253
Transactions for the Purchase of Goods and Services		
Singapore Airport Terminal Services Limited and its Associates	-	634
SembCorp Industries Ltd and its Associates	610	-
Singapore Airlines Limited and its Associates	5,839	-
Singapore Telecommunications Limited and its Associates	205	336
Temasek Holdings (Private) Limited and its Associates (non-listed)	2,507	360
	9,161	1,330
Total Interested Person Transactions	129,391	8,583

17 ECONOMIC VALUE ADDED (EVA)

EVA for 1H2014 was \$179.8 million, an increase of 2% or \$2.9 million over 1H2013. The weighted average cost of capital for 2014 was 5.6% (2013: 5.2%).

BY ORDER OF THE BOARD

CHUA SU LI
Company Secretary
13 August 2014

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