SIA ENGINEERING COMPANY

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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 2017 (IN $ MILLION)

	The Group		The Group	
	4th Quarter 2016-17	4th Quarter 2015-16	2016-17	2015-16
REVENUE	**295.4**	**294.2**	**1,104.1**	**1,112.7**
EXPENDITURE				
Staff costs	128.2	114.1	512.5 [R1]	462.9
Material costs	51.2	54.4	187.6	188.8
Depreciation	12.3	10.9	47.6	42.2
Amortisation of intangibles	1.7	0.5	5.2	1.7
Company accommodation	12.6	12.6	50.1	49.7
Subcontract costs	37.3	43.3	138.4	161.3
Other operating expenses	28.2	30.9	90.7	101.7
	271.5	266.7	1,032.1	1,008.3
OPERATING PROFIT	**23.9**	**27.5**	**72.0** [R1]	**104.4**
Interest income	1.1	0.6	4.0	2.0
Interest on external borrowings	(0.2)	(0.1)	(0.7)	(0.3)
Loss on disposal of property, plant and equipment	*	(0.1)	(0.1)	(0.4)
Surplus on partial disposal of an associated company	-	-	2.3	2.8
Loss on liquidation of an associated company	-	-	-	(4.3)
Surplus on disposal of non-current asset held for sale	-	-	141.6	-
Provision for impairment in an associated company	-	-	-	(2.5)
Dividend from non-current asset held for sale	-	1.6	39.5	6.1
Share of profits of associated companies, net of tax	22.0	13.4	64.9	50.4
Share of profits of joint venture companies, net of tax	5.0	4.9	31.6	43.8
PROFIT BEFORE TAXATION	**51.8**	**47.8**	**355.1**	**202.0**
Taxation expense	(4.8)	(4.8)	(17.9)	(20.8)
PROFIT FOR THE FINANCIAL YEAR	**47.0**	**43.0**	**337.2**	**181.2**
PROFIT ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	**45.9**	**41.4**	**332.4** [R2]	**176.6**
Non-controlling interests	1.1	1.6	4.8	4.6
	47.0	**43.0**	**337.2**	**181.2**
BASIC EARNINGS PER SHARE (CENTS)	4.09	3.69	29.63	15.74
DILUTED EARNINGS PER SHARE (CENTS)	4.09	3.69	29.57	15.70

* Amount less than $0.1M

Note:

R1: The staff costs of $512.5M in FY2016-17 included a provision for the estimated increase in the profit-linked component of staff remuneration arising from the gain on divestment of Hong Kong Aero Engine Services Ltd ("HAESL"). Before the additional provision for staff costs, operating profit for the financial year was $93.3M. After taking into account this one-time impact, the Group showed an operating profit of $72.0M in FY2016-17.

R2: Profit attributable to owners of the parent of $332.4M included a gain on divestment of HAESL of $178.0M and its corresponding impact on staff costs (net of tax adjustments). Before the divestment, profit attributable to owners of the parent was $172.0M.

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

	The Group		The Group	
	4th Quarter 2016-17	4th Quarter 2015-16	2016-17	2015-16
	$M	$M	$M	$M
Write back of provision of trade debtors, net	*	(0.8)	(0.4)	(3.3)
Exchange loss/(gain), net	4.3	8.2	(5.5)	12.7
Under/(over) provision of tax in respect of prior year	0.1	*	0.3	(0.1)
(Write back of provision)/provision for stock obsolescence, net	(0.2)	0.4	1.7	3.3

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (IN $ MILLION)

	The Group		The Group	
	4th Quarter 2016-17	4th Quarter 2015-16	2016-17	2015-16
PROFIT FOR THE FINANCIAL YEAR	**47.0**	**43.0**	**337.2**	**181.2**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Actuarial (loss)/gain on remeasurement of defined benefit plan	(2.4)	0.3	(2.4)	0.3
	(2.4)	0.3	(2.4)	0.3
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	(22.0)	(26.4)	20.0	(11.1)
Realisation of foreign currency translation reserves on liquidation of an associated company	-	-	-	4.3
Realisation of foreign currency translation reserve on partial disposal of an associated company	-	-	*	-
Net fair value adjustment on cash flow hedges	1.7	1.3	(0.8)	7.3
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	-	-	-	(0.8)
Net fair value adjustment on non-current asset held for sale	-	(7.5)	-	141.9
Realisation of fair value changes on non-current asset held for sale	-	-	(141.9)	-
Share of other comprehensive income of associated and joint venture companies	4.9	4.8	1.4	6.5
	(15.4)	(27.8)	(121.3)	148.1
OTHER COMPREHENSIVE INCOME, NET OF TAX	**(17.8)**	**(27.5)**	**(123.7)**	**148.4**
TOTAL COMPREHENSIVE INCOME	**29.2**	**15.5**	**213.5**	**329.6**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	29.4	14.8	208.7	325.4
Non-controlling interests	(0.2)	0.7	4.8	4.2
	29.2	**15.5**	**213.5**	**329.6**

* Amount less than $0.1M.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (IN $ MILLION)

	The Company		The Company	
	4th Quarter 2016-17	4th Quarter 2015-16	2016-17	2015-16
PROFIT FOR THE FINANCIAL YEAR	**43.3**	**49.7**	**302.6**	**161.3**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Actuarial loss on remeasurement of defined benefit plan	(2.1)	-	(2.1)	-
	(2.1)	-	(2.1)	-
Items that may be reclassified subsequently to profit or loss:				
Net fair value adjustment on cash flow hedges	1.7	1.3	(0.8)	7.3
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	-	-	-	(0.8)
Net fair value adjustment on non-current asset held for sale	-	(7.5)	-	141.9
Realisation of fair value changes on non-current asset held for sale	-	-	(141.9)	-
	1.7	(6.2)	(142.7)	148.4
OTHER COMPREHENSIVE INCOME, NET OF TAX	**(0.4)**	**(6.2)**	**(144.8)**	**148.4**
TOTAL COMPREHENSIVE INCOME	**42.9**	**43.5**	**157.8**	**309.7**

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

BALANCE SHEETS AT 31 MARCH 2017 (IN $ MILLION)

	The Group		The Company	
	31 Mar 2017	**31 Mar 2016**	**31 Mar 2017**	**31 Mar 2016**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	420.0	416.5	420.0	416.5
Treasury shares	(15.2)	(6.1)	(15.2)	(6.1)
Capital reserve	2.7	0.2	2.7	0.2
Share-based compensation reserve	16.0	18.4	16.0	18.4
Foreign currency translation reserve	(68.0)	(87.9)	-	-
Fair value reserve	(0.6)	140.7	0.4	143.1
Equity transaction reserve	(2.4)	(2.4)	-	-
General reserve	1,201.5	1,006.1	844.7	673.1
	1,554.0	1,485.5	1,268.6	1,245.2
NON-CONTROLLING INTERESTS	34.0	26.4	-	-
TOTAL EQUITY	1,588.0	1,511.9	1,268.6	1,245.2
NON-CURRENT LIABILITIES				
Deferred taxation	29.1	29.5	26.3	27.2
Long-term bank loan	21.9	24.5	-	-
	51.0	54.0	26.3	27.2
	1,639.0	**1,565.9**	**1,294.9**	**1,272.4**
Represented by :				
PROPERTY, PLANT AND EQUIPMENT	331.6	340.9	270.2	280.9
INTANGIBLES	65.3	63.4	6.1	4.7
SUBSIDIARY COMPANIES	-	-	127.8	109.1
ASSOCIATED COMPANIES	380.0	344.0	192.9	193.1
JOINT VENTURE COMPANIES	162.0	147.5	61.9	56.6
LONG-TERM INVESTMENT	-	*	-	*
CURRENT ASSETS				
Trade debtors	87.5	76.8	60.5	52.4
Prepayments and other debtors	14.7	14.2	7.6	10.8
Immediate holding company	78.9	61.7	77.1	60.3
Amount owing by related parties	48.8	68.1	49.6	66.4
Inventories	37.3	40.7	27.0	31.4
Work-in-progress	110.5	114.4	106.9	112.8
Short-term deposits	531.2	317.1	518.1	311.7
Cash and bank balances	70.5	76.8	40.4	58.1
	979.4	769.8	887.2	703.9
Non-current asset held for sale	-	156.5	-	156.5
	979.4	926.3	887.2	860.4
Less:				
CURRENT LIABILITIES				
Trade and other creditors	250.4	227.6	211.2	197.3
Amount owing to related parties	9.2	1.8	26.2	19.9
Bank loans	4.0	8.8	-	-
Tax payable	15.7	18.0	13.8	15.2
	279.3	256.2	251.2	232.4
NET CURRENT ASSETS	700.1	670.1	636.0	628.0
	1,639.0	**1,565.9**	**1,294.9**	**1,272.4**

*Amount less than $0.1M.

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

(in $ Million)

Amount repayable in one year or less, or on demand

31 Mar 2017		31 Mar 2016	
Secured	Unsecured	Secured	Unsecured
-	4.0	-	8.8

Amount repayable after one year

31 Mar 2017		31 Mar 2016	
Secured	Unsecured	Secured	Unsecured
-	21.9	-	24.5

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (IN $ MILLION)

	The Group	
	2016-17	**2015-16**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**355.1**	**202.0**
Adjustments for:		
Depreciation	47.6	42.2
Amortisation of intangibles	5.2	1.7
Share-based compensation expense	3.2	0.6
Loss on disposal of property, plant and equipment	0.1	0.4
Surplus on partial disposal of an associated company	(2.3)	(2.8)
Loss on liquidation of an associated company	-	4.3
Surplus on disposal of non-current asset held for sale	(141.6)	-
Provision for impairment in an associated company	-	2.5
Interest income	(4.0)	(2.0)
Interest on external borrowings	0.7	0.3
Share of profits of associated and joint venture companies, net of tax	(96.5)	(94.2)
Exchange differences	(5.5)	12.7
Dividend received from non-current asset held for sale	(39.5)	(6.1)
Operating profit before working capital changes	**122.5**	**161.6**
Increase in debtors	(7.3)	(3.0)
Decrease/(Increase) in inventories and work-in-progress	7.2	(30.5)
Increase in creditors	19.5	9.1
Increase in amounts owing by immediate holding company	(16.5)	(17.5)
Decrease/(Increase) in amounts owing by related parties, net	26.8	(24.0)
Cash generated from operations	**152.2**	**95.7**
Income taxes paid	(20.4)	(18.6)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**131.8**	**77.1**
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(38.3)	(41.0)
Purchase of intangible assets	(5.2)	(4.6)
Proceeds from disposal of property, plant and equipment	1.6	0.2
Proceeds from partial disposal of an associated company	3.8	4.9
Proceeds from disposal of non-current asset held for sale	156.6	-
Investment in an associated company	-	(24.3)
Interest received from deposits	3.3	1.9
Dividends received from associated and joint venture companies	62.4	78.5
Dividend received from non-current asset held for sale	39.5	6.1
NET CASH PROVIDED BY INVESTING ACTIVITIES	**223.7**	**21.7**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (IN $ MILLION)

	The Group	
	2016-17	**2015-16**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	11.7	4.3
Proceeds from borrowings	1.7	5.0
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests	8.2	1.5
Repayment of borrowings	(10.4)	(4.2)
Interest paid	(0.7)	(0.3)
Dividends paid	(135.2)	(162.9)
Dividends paid by subsidiary companies to non-controlling interests	(5.4)	(4.0)
Purchase of treasury shares	(19.9)	(6.9)
NET CASH USED IN FINANCING ACTIVITIES	**(150.0)**	**(167.5)**
NET CASH INFLOW/(OUTFLOW)	**205.5**	**(68.7)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**393.9**	**463.7**
Effect of exchange rate changes	2.3	(1.1)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**601.7**	**393.9**
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	531.2	317.1
Cash and bank balances	70.5	76.8
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**601.7**	**393.9**

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 2017 (IN $ MILLION)

	Attributable to Owners of the Parent										
The Group	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total	Non-controlling interests	Total equity
Balance at 1 April 2016	**416.5**	**(6.1)**	**0.2**	**18.4**	**(87.9)**	**140.7**	**(2.4)**	**1,006.1**	**1,485.5**	**26.4**	**1,511.9**
Effects of adopting FRS 109	-	-	-	-	-	-	-	*	*	-	*
Profit for the year	-	-	-	-	-	-	-	332.4	332.4	4.8	337.2
Actuarial loss on remeasurement of defined benefit plan	-	-	-	-	-	-	-	(2.3)	(2.3)	(0.1)	(2.4)
Foreign currency translation	-	-	-	-	19.9	-	-	-	19.9	0.1	20.0
Realisation of foreign currency translation reserve on partial disposal of an associated company	-	-	-	-	*	-	-	-	*	-	*
Realisation of fair value changes on non-current asset held for sale	-	-	-	-	-	(141.9)	-	-	(141.9)	-	(141.9)
Net fair value adjustment on cash flow hedges	-	-	-	-	-	(0.8)	-	-	(0.8)	-	(0.8)
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	*	1.4	-	-	1.4	-	1.4
Other comprehensive income, net of tax	-	-	-	-	19.9	(141.3)	-	(2.3)	(123.7)	*	(123.7)
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**19.9**	**(141.3)**	**-**	**330.1**	**208.7**	**4.8**	**213.5**
Capital contribution	-	-	-	-	-	-	-	-	-	8.2	8.2
Share-based compensation expense	-	-	-	3.2	-	-	-	-	3.2	-	3.2
Share awards released	0.9	-	-	(1.2)	-	-	-	0.3	-	-	-
Share options exercised	2.6	-	-	(0.7)	-	-	-	-	1.9	-	1.9
Share options lapsed	-	-	-	(0.2)	-	-	-	0.2	-	-	-
Purchase of treasury shares	-	(19.9)	-	-	-	-	-	-	(19.9)	-	(19.9)
Treasury shares reissued pursuant to equity compensation plans	-	10.8	2.5	(3.5)	-	-	-	-	9.8	-	9.8
Dividends	-	-	-	-	-	-	-	(135.2)	(135.2)	(5.4)	(140.6)
Total contributions by and distributions to owners	**3.5**	**(9.1)**	**2.5**	**(2.4)**	**-**	**-**	**-**	**(134.7)**	**(140.2)**	**2.8**	**(137.4)**
Balance at 31 March 2017	**420.0**	**(15.2)**	**2.7**	**16.0**	**(68.0)**	**(0.6)**	**(2.4)**	**1,201.5**	**1,554.0**	**34.0**	**1,588.0**

* Amount less than $0.1M

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (IN $ MILLION)

	Attributable to Owners of the Parent										
The Group	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total	Non-controlling interests	Total equity
Balance at 1 April 2015	**410.7**	**-**	**-**	**20.2**	**(81.7)**	**(14.2)**	**(2.4)**	**992.3**	**1,324.9**	**24.7**	**1,349.6**
Profit for the year	-	-	-	-	-	-	-	176.6	176.6	4.6	181.2
Actuarial gain on remeasurement of defined benefit plan	-	-	-	-	-	-	-	0.1	0.1	0.2	0.3
Foreign currency translation	-	-	-	-	(10.5)	-	-	-	(10.5)	(0.6)	(11.1)
Realisation of foreign currency translation reserves on liquidation of an associated company	-	-	-	-	4.3	-	-	-	4.3	-	4.3
Net fair value adjustment on cash flow hedges	-	-	-	-	-	7.3	-	-	7.3	-	7.3
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	-	-	-	-	-	(0.8)	-	-	(0.8)	-	(0.8)
Net fair value adjustment on non-current asset held for sale	-	-	-	-	-	141.9	-	-	141.9	-	141.9
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	*	6.5	-	-	6.5	-	6.5
Other comprehensive income for the year, net of tax	-	-	-	-	(6.2)	154.9	-	0.1	148.8	(0.4)	148.4
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**(6.2)**	**154.9**	**-**	**176.7**	**325.4**	**4.2**	**329.6**
Capital contribution	-	-	-	-	-	-	-	-	-	1.5	1.5
Share-based compensation expense	-	-	-	0.6	-	-	-	-	0.6	-	0.6
Share awards released	1.2	-	-	(1.2)	-	-	-	-	-	-	-
Share options exercised	4.6	-	-	(1.0)	-	-	-	-	3.6	-	3.6
Share options lapsed	-	-	-	*	-	-	-	*	-	-	-
Purchase of treasury shares	-	(6.9)	-	-	-	-	-	-	(6.9)	-	(6.9)
Treasury shares reissued pursuant to equity compensation plans	-	0.8	0.2	(0.2)	-	-	-	-	0.8	-	0.8
Dividends	-	-	-	-	-	-	-	(162.9)	(162.9)	(4.0)	(166.9)
Total contributions by and distributions to owners	**5.8**	**(6.1)**	**0.2**	**(1.8)**	**-**	**-**	**-**	**(162.9)**	**(164.8)**	**(2.5)**	**(167.3)**
Balance at 31 March 2016	**416.5**	**(6.1)**	**0.2**	**18.4**	**(87.9)**	**140.7**	**(2.4)**	**1,006.1**	**1,485.5**	**26.4**	**1,511.9**

* Amount less than $0.1M

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (IN $ MILLION)

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2016	**416.5**	**(6.1)**	**0.2**	**18.4**	**143.1**	**673.1**	**1,245.2**
Effects of adopting FRS 109	-	-	-	-	-	0.5	0.5
Profit for the year	-	-	-	-	-	302.6	302.6
Actuarial loss on remeasurement of defined benefit plan	-	-	-	-	-	(2.1)	(2.1)
Net fair value adjustment on cash flow hedges	-	-	-	-	(0.8)	-	(0.8)
Realisation of fair value changes on non-current asset held for sale	-	-	-	-	(141.9)	-	(141.9)
Other comprehensive income for the year, net of tax	-	-	-	-	(142.7)	(2.1)	(144.8)
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**(142.7)**	**300.5**	**157.8**
Share-based compensation expense	-	-	-	3.2	-	-	3.2
Share awards released	0.9	-	-	(1.2)	-	0.3	-
Share options exercised	2.6	-	-	(0.7)	-	-	1.9
Share options lapsed	-	-	-	(0.2)	-	0.2	-
Purchase of treasury shares	-	(19.9)	-	-	-	-	(19.9)
Treasury shares reissued pursuant to equity compensation plans	-	10.8	2.5	(3.5)	-	-	9.8
Dividends	-	-	-	-	-	(135.2)	(135.2)
Differences arising from restructuring of joint venture under common control	-	-	-	-	-	5.3	5.3
Total contributions by and distributions to owners	**3.5**	**(9.1)**	**2.5**	**(2.4)**	-	**(129.4)**	**(134.9)**
Balance at 31 March 2017	**420.0**	**(15.2)**	**2.7**	**16.0**	**0.4**	**844.7**	**1,268.6**

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (IN $ MILLION)

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2015	**410.7**	**-**	**-**	**20.2**	**(5.3)**	**674.7**	**1,100.3**
Profit for the year	-	-	-	-	-	161.3	161.3
Net fair value adjustment on cash flow hedges	-	-	-	-	7.3	-	7.3
Net changes in fair value of cash flow hedges reclassified to carrying amount of an associated company	-	-	-	-	(0.8)	-	(0.8)
Net fair value adjustment on non-current asset held for sale	-	-	-	-	141.9	-	141.9
Other comprehensive income for the year, net of tax	-	-	-	-	148.4	-	148.4
Total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**148.4**	**161.3**	**309.7**
Share-based compensation expense	-	-	-	0.6	-	-	0.6
Share awards released	1.2	-	-	(1.2)	-	-	-
Share options exercised	4.6	-	-	(1.0)	-	-	3.6
Share options lapsed	-	-	-	*	-	*	-
Purchase of treasury shares	-	(6.9)	-	-	-	-	(6.9)
Treasury shares reissued pursuant to equity compensation plans	-	0.8	0.2	(0.2)	-	-	0.8
Dividends	-	-	-	-	-	(162.9)	(162.9)
Total contributions by and distributions to owners	**5.8**	**(6.1)**	**0.2**	**(1.8)**	**-**	**(162.9)**	**(164.8)**
Balance at 31 March 2016	**416.5**	**(6.1)**	**0.2**	**18.4**	**143.1**	**673.1**	**1,245.2**

* Amount less than $0.1M

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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

As at 31 March 2017, the Company has an issued share capital of 1,124,116,360 ordinary shares (31 March 2016: 1,123,312,387) of which 4,189,652 were held by the Company as treasury shares (31 March 2016: 1,696,900). The treasury shares held represents 0.4% (31 March 2016: 0.2%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 March 2017 and 31 March 2016.

The movement of the Company's issued share capital during the financial year ended 31 March 2017 is as follows:

Group and Company	Number of Shares	Share Capital ($ Million)
Issued and fully paid share capital Ordinary Shares		
Balance at 1 April 2016	1,123,312,387	416.5
Share options exercised during the financial year	571,900	2.6
Share awards released during the financial year	232,073	0.9
Balance at 31 March 2017	1,124,116,360	420.0

(B) Employee Share Option Plan

(i) During the financial year, the Company issued 3,522,848 shares (2015-16: 1,772,125), out of which, 2,950,948 shares (2015-16: 216,800) were reissued treasury shares, upon the exercise of options granted under the Employee Share Option Plan.

(ii) The movement of share options of the Company during the financial year ended 31 March 2017 is as follows:

Date of grant	Balance at 01.04.2016	Cancelled	Exercised	Balance at 31.03.2017	Exercise Price*	Exercisable period
03.07.2006	3,613,648	(266,400)	(3,347,248)	-	$3.29	03.07.2007-02.07.2016
02.07.2007	8,567,344	(227,900)	-	8,339,444	$4.52	02.07.2008-01.07.2017
01.07.2008	4,689,596	(48,400)	(175,600)	4,465,596	$3.59	01.07.2010-30.06.2018
Total	16,870,588	(542,700)	(3,522,848)	12,805,040		

* At the extraordinary general meeting of the Company held on 26 July 2004, the Company's shareholders approved an amendment to the Plan to allow for adjustment to the exercise prices of the existing options by the Committee administering the Plan, in the event of the declaration of a special dividend. Following approval by the Company's shareholders of the declaration of a special dividend of $0.20 on 21 July 2006, $0.10 on 22 July 2011 and $0.05 on 21 July 2014, the said Committee approved a reduction of $0.20 in the exercise prices of all share options outstanding on 25 July 2006, $0.10 on the outstanding share options on 29 July 2011 and a further $0.05 on the outstanding share options on 7 August 2014. The exercise prices reflected here are the exercise prices after such adjustments.

(iii) As at 31 March 2017, the number of share options of the Company outstanding was 12,805,040 (31 March 2016: 16,870,588).

(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 2017 the number of outstanding shares granted under the Company's RSP and PSP were 1,629,386 (31 March 2016: 1,608,396) and 324,447 (31 March 2016: 334,642) respectively. The movement of these share awards during the financial year ended 31 March 2017 is as follows:

RSP

Date of grant	Balance at 01.04.2016 / Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2017
02.07.2012	68,638	-	-	(68,638)	-
08.07.2013	96,934	-	-	(52,533)	44,401
07.07.2014	721,044	(504,744)	(6,153)	(110,902)	99,245
06.07.2015	721,780	-	(12,300)	-	709,480
07.07.2016	776,260	-	-	-	776,260
Total	2,384,656	(504,744)	(18,453)	(232,073)	1,629,386

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

PSP

Date of grant	Balance at 01.04.2016 / Date of grant	Adjustment#	Cancelled	Released	Balance at 31.03.2017
08.07.2013	137,645	(137,645)	-	-	-
07.07.2014	134,917	-	-	-	134,917
06.07.2015	62,080	-	-	-	62,080
07.07.2016	127,450	-	-	-	127,450
Total	462,092	(137,645)	-	-	324,447

Adjustment at the end of the three-year 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 2017, the Company has an issued share capital of 1,119,926,708 ordinary shares (31 March 2016: 1,121,615,487) excluding 4,189,652 ordinary shares (31 March 2016: 1,696,900) held by the Company as treasury shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During the financial year ended 31 March 2017, the Company purchased 5,443,700 treasury shares (2015-16: 1,913,700). The Company transferred 2,950,948 treasury shares to employees on exercise of share options (2015-16: 216,800).

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

Group and Company	**Number of Shares**	**Treasury Shares ($ Million)**
Balance at 1 April 2016	1,696,900	6.1
Purchase of treasury shares	5,443,700	19.9
Treasury shares transferred on exercise of share options	(2,950,948)	(10.8)
Balance at 31 March 2017	4,189,652	15.2

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 2017 and 31 March 2016. There was no sales, transfers, cancellation and/or use of subsidiary holdings for the financial year ended 31 March 2017.

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

The figures have 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.

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 March 2016. The adoption of the new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2016 has no significant impact on the Group.

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

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4.

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

	Group		Group	
	4th Quarter 2016-17	4th Quarter 2015-16	2016-17	2015-16
Earnings per share (cents)				
- Basic *	4.09	3.69	29.63	15.74
- Diluted #	4.09	3.69	29.57	15.70

* 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 share options, performance shares and restricted shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31 Mar 17	As at 31 Mar 16	As at 31 Mar 17	As at 31 Mar 16
Net asset value per share (cents)	138.8	132.4	113.3	111.0

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

GROUP EARNINGS

Financial Year 2016-17

The Group recorded a profit attributable to owners of the parent of $332.4 million for the financial year ended 31 March 2017. During the first quarter, the Group made a $141.6 million gain from the divestment of its 10% stake in Hong Kong Aero Engine Services Ltd ("HAESL") to Rolls-Royce Overseas Holdings Limited ("RROH") and Hong Kong Aircraft Engineering Company Limited ("HAECO"). In addition, the Group received a special dividend of $36.4 million from HAESL following the divestment of its 20% stake in Singapore Aero Engine Services Ltd ("SAESL") to Rolls-Royce Singapore Pte Ltd ("RRS"), bringing the overall gain from divestment to $178.0 million.

Revenue decreased by $8.6 million or 0.8% to $1,104.1 million. Fleet management revenue decreased, partially mitigated by higher line maintenance revenue.

Expenditure increased by $23.8 million or 2.4%, mainly due to increases in staff costs, offset in part by lower subcontract costs. The increase in staff costs was due mainly to a provision made in the first quarter for the increase in the profit-linked component of staff remuneration arising from the gain on divestment of HAESL, based on profitability-related key performance indicators. Salary increments and an increase in overtime as more staff are released for training on new aircraft types also contributed to the increase in staff costs. Operating profit before the provision was $93.3 million, a decrease of $11.1 million or 10.6%. Operating profit after taking into account the one-time impact on staff costs arising from divestment was $72.0 million.

Share of profits of associated and joint venture companies increased by $2.3 million or 2.4% to $96.5 million. Contributions from the engine repair and overhaul centres increased $3.0 million or 5.9%, with higher share of profits from Eagle Services Asia Pte Ltd ("ESA") partially offset by lower contributions from SAESL as the work content of engines shipped for the current year was lower.

Basic earnings per share was 29.63 cents for the current financial year.

Fourth Quarter FY2016-17

The Group posted a profit attributable to owners of $45.9 million for the fourth quarter ended 31 March 2017, an increase of $4.5 million or 10.9%.

Revenue for the quarter was $295.4 million, comparable to the same period last year. Expenditure rose $4.8 million or 1.8% to $271.5 million, due mainly to an increase in staff costs partially offset by a reduction in subcontract costs and lower exchange losses. The resulting operating profit of $23.9 million was $3.6 million or 13.1% lower.

Share of profits of associated and joint venture companies of $27.0 million were higher by $8.7 million or 47.5%. Contributions from the engine repair and overhaul centres amounted to $12.6 million, an increase of $4.4 million or 53.7%.

Basic earnings per share was 4.09 cents for the current quarter.

GROUP FINANCIAL POSITION

As at 31 March 2017, equity attributable to owners of the parent of $1,554.0 million was $68.5 million or 4.6% higher than at 31 March 2016, mainly due to profits earned for the period which included the divestment gain. The increase was offset in part by a decrease in fair value reserves upon the divestment of the Group's interest in HAESL, and the payment of the final and interim dividends for FY2015-16 and FY2016-17 respectively.

The Group's cash balance increased $207.8 million or 52.8% to $601.7 million, mainly from the cash received from the divestment of HAESL and cash flows generated from operations, offset in part by dividends paid. Total assets amounted to $1,918.3 million.

Net asset value per share as at 31 March 2017 was 138.8 cents.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

OUTLOOK

In spite of global uncertainties and the challenges the Company already faces in the maintenance, repair and overhaul sector from excess capacity and aggressive pricing, there remain growth opportunities. The Company continues to invest in strategic partnerships and advancing innovations, and maintain vigilance on costs.

During the year, a Joint Venture Agreement was signed with Moog Incorporated to establish a joint venture for repair and overhaul services of Moog's products on the new-generation Boeing 787 and Airbus A350 aircraft. This followed earlier strategic tie-ups with Boeing on fleet management and Airbus on heavy maintenance business. We also signed a Memorandum of Understanding with Stratasys Ltd., a leading 3D printing and additive manufacturing solutions company, to offer design, engineering, certification support and parts production to our global network of airline customers. These investments are not expected to be accretive in the near term.

These initiatives will strengthen the Group's core competencies and service offerings, and position us well to seize emerging opportunities for long-term growth.

11. Dividend

(a) Current Financial Period Reported On

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

Name of dividend	Interim	Final	
		Ordinary	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	4.0 cents per ordinary share	9.0 cents per ordinary share	5.0 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	6.0 cents per ordinary share	8.0 cents per ordinary share

(c) Date payable

The final dividend, if so approved by shareholders, will be paid on 8 August 2017.

(d) Books closure date

Subject to the approval being obtained at the 35th Annual General Meeting of the Company for the payment of the final dividend, 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 Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 up to 5 p.m. on 27 July 2017 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 28 July 2017 for the preparation of dividend warrants. The final dividend, if so approved by shareholders, will be paid on 8 August 2017 to members on the Register as at 27 July 2017.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions

(In $ Million)

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

Name of Interested Person	**Non-Mandated** Aggregate value of all IPTs (excluding all mandated transactions pursuant to Rule 920 of the SGX Listing Manual and transactions less than $100,000)	**Mandated** Aggregate value of all IPTs conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than $100,000)
Singapore Airlines Group		
- Singapore Airlines Ltd	-	11.6
- SilkAir (Singapore) Pte Ltd	-	0.4
- Scoot Pte Ltd	-	0.3
- Singapore Airlines Cargo Pte Ltd	-	271.2
- Tiger Airways Singapore Pte Ltd	-	0.9
Temasek Holdings (Private) Limited and Associates		
- AJI International Pte Ltd	-	13.0
- AETOS Training Academy Pte Ltd	-	0.1
Singapore Technologies Engineering Group		
- ST Aerospace Supplies Pte Ltd	-	0.1
SATS Ltd		
- SATS Security Services Pte Ltd	-	3.0
- SATS Aero Laundry Pte Ltd	-	0.1
Starhub Limited		0.2
Total	**-**	**300.9**

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 2017 and 31 March 2016 and certain assets information of the operating segments as at those dates.

2016-17 (in $ million)	Repair and overhaul	Line maintenance	Total segments	Consolidation eliminations & adjustments	Per consolidated financial statements
TOTAL REVENUE					
External revenue	591.1	513.0	1,104.1	-	1,104.1
Inter-segment revenue	0.3	10.5	10.8	(10.8)	-
	591.4	523.5	1,114.9	(10.8)	1,104.1
RESULTS					
Segment results	(22.4)	94.4	72.0	-	72.0
Interest income				-	4.0
Surplus on partial disposal of an associated company				-	2.3
Surplus on disposal of non-current asset held for sale				-	141.6
Dividend income from non-current asset held for sale				-	39.5
Share of profits of associated companies, net of tax	61.6	3.3	64.9	-	64.9
Share of profits of joint venture companies, net of tax	31.6	-	31.6	-	31.6
Other unallocated expense				-	(0.8)
Profit before taxation					355.1
Taxation				-	(17.9)
Profit for the financial year					337.2
Other segment items					
Depreciation	37.3	10.3	47.6	-	47.6
Amortisation of intangibles	4.4	0.8	5.2	-	5.2
Segment assets					
Property, plant and equipment	282.9	48.7	331.6	-	331.6
Intangibles	63.3	2.0	65.3	-	65.3
Investment in associated/ joint venture companies	531.7	10.3	542.0	-	542.0
Other unallocated assets					979.4
Total assets	877.9	61.0	938.9	-	1,918.3

2015-16 (in $ million)	Repair and overhaul	Line maintenance	Total segments	Consolidation eliminations & adjustments	Per consolidated financial statements
TOTAL REVENUE					
External revenue	652.6	460.1	1,112.7	-	1,112.7
Inter-segment revenue	0.4	9.6	10.0	(10.0)	-
	653.0	469.7	1,122.7	(10.0)	1,112.7
RESULTS					
Segment results	(3.4)	107.8	104.4	-	104.4
Interest income				-	2.0
Surplus on partial disposal of an associated company				-	2.8
Loss on liquidation of an associated company				-	(4.3)
Provision for impairment in an associated company				-	(2.5)
Dividend income from non-current asset held for sale				-	6.1
Share of profits of associated companies, net of tax	47.5	2.9	50.4	-	50.4
Share of profits of joint venture companies, net of tax	43.8	-	43.8	-	43.8
Other unallocated expense				-	(0.7)
Profit before taxation					202.0
Taxation				-	(20.8)
Profit for the financial year					181.2
Other segment items					
Depreciation	34.3	7.9	42.2	-	42.2
Amortisation of intangibles	1.0	0.7	1.7	-	1.7
Segment assets					
Property, plant and equipment	298.8	42.1	340.9	-	340.9
Intangibles	61.6	1.8	63.4	-	63.4
Investment in associated/ joint venture companies	481.9	9.6	491.5	-	491.5
Other unallocated assets					926.3
Total assets	842.3	53.5	895.8	-	1,822.1

Geographical segments

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

	Revenue		Non-current assets 31 March	
(in $ million)	2016-17	2015-16	2017	2016
East Asia#	878.9	913.3	878.5	835.8
Europe	146.2	131.9	–	–
South West Pacific	29.9	28.4	1.2	1.3
Americas	25.1	17.7	59.2	58.7
West Asia and Africa	24.0	21.4	–	–
Total	1,104.1	1,112.7	938.9	895.8

Mainly Singapore

Non-current assets' information presented above consists of property, plant and equipment, intangibles, 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.

	GROUP		
	2016-17	**2015-16**	**Change**
	S$M	**S$M**	**%**
Turnover reported for first half year	536.4	543.3	- 1.3%
Profit after tax reported for the first half year	236.6	87.2	+ 171.3%
Turnover reported for second half year	567.7	569.4	- 0.3%
Profit after tax reported for the second half year	100.6	94.0	+ 7.0%

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)	2016-17	2015-16
Ordinary dividend		
- Interim	44.9	67.4
- Final#	100.8	90.3
Special dividend		
- Final#	56.0	-
Total:	201.7	157.7

2016-17 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 in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Devika Rani Davar
Company Secretary
12 May 2017

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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 2017, the consolidated income statement and consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company 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") and Singapore Financial Reporting Standards ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company 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 12 May 2017 included in SIA Engineering Company Limited Annual Report for the financial year ended 31 March* 2017.

Classification of investments in subsidiaries, joint ventures and associates

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	Our response
The Group has a number of strategic alliances with original equipment manufacturers and strategic partners through the joint formation of subsidiaries, joint ventures and associates. The classification of an investment as a subsidiary, joint venture or associate is based on whether the Group is determined to have control, joint control or significant influence and this can be judgemental. The risks of inappropriate classification can have a material effect on the financial statements of the Group.	For the new investments during the year, we examined the legal documents associated with the investments, to determine the key terms relating to the extent of control, including rights of the investors, terms of shareholders' agreement, dispute resolution provisions, termination provisions, governance structures and profit-sharing arrangements. We assessed management's conclusion on the classification of these investments by comparing the key terms against the requirements in the applicable financial reporting standards.

Findings

We found the Group's classification of investments as at 31 March 2017 to be appropriate.

Impairment risk on property, plant and equipment

Refer to note 2(n) '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

There is a risk of impairment on the Group's property, plant and equipment ("PPE") due to the challenging maintenance, repair and overhaul business environment surrounding the nature of the PPE.

The Group uses the discounted cash flow technique to determine the recoverable amounts of the cash generating unit ("CGU") to which the specific property, plant and equipment relate.

The process of identifying indicators of impairment and assessing the recoverable amount of the PPE by management requires significant judgement and estimation. There is a risk that the recoverable amount of the PPE may not be accurate if the key assumptions applied by management are inappropriate.

Our response

We evaluated management's assessment of impairment indications for property, plant and equipment.

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

We assessed the key assumptions used in the cash flow projections, namely revenue growth rates, operating costs, discount rates, terminal growth rates by comparing the assumptions to externally derived data (where available) and check for consistency to our knowledge of the business and the aviation maintenance, repair and overhaul industry.

We assessed the historical accuracy of the Group's estimates, in previous periods and performed an analysis of changes in the assumptions from prior periods.

We stress-tested the assumptions made by management, including reducing the growth estimates over revenue and operating profits.

We assessed the accuracy of the discounted cash flow models by re-performing the mathematical calculations.

Findings

The assumptions and resulting estimates used in the discounted cash flow projections were within acceptable range. We agree with management assessment that no impairment charge is required.

Impairment risk on deferred engine development costs

Refer to note 2(n) '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 participates in the Pratt & Whitney's PW1000G Risk-Revenue Sharing Program. The PW1000G engine is selected as the sole source engine for the Bombardier CSeries and Mitsubishi Regional Jet aircrafts. The two risk-revenue sharing programmes are assessed as one cash-generating unit.

The payments made under the program are used to fund the development costs of the PW1000G engines.

The Group performs an annual impairment testing for the development costs using value in use calculations which are based on a discounted cash flow model. There are significant judgements and estimates made in relation to the timing of cash flows, the expected number of engines to be sold and the discount rates used.

Our response

We evaluated the appropriateness of the identification of the cash generating unit against the requirements of the accounting standards.

We assessed the appropriateness of key assumptions, including estimated engine sales and the timing of sales used in the value in use calculations to determine the recoverable amount by comparing the data to the order book provided by Pratt & Whitney and checked for consistency of assumptions with publicly available data where possible, as well as our understanding of the commercial prospects of the engine development projects.

We assessed the historical accuracy of the Group's estimates in previous periods and performed an analysis of changes in the assumptions from prior periods.

We re-computed a range of acceptable discount rates for the valuation of the intangible assets based on our view of various economic indicators.

We assessed the accuracy of the discounted cash flow models by re-performing the mathematical calculations.

Findings

We found that the expected revenue from engine sales used in the cash flow projections is consistent with order book data and publicly available information. The estimates used in the cash flow projections were overall within acceptable range. We agree with management's assessment that no impairment charge is required.

Recognition of revenue and profits on long-term contracts

Refer to note 2(t) 'Revenue' and note 3 'Significant accounting estimates and critical judgements' for the relevant accounting policy and a discussion of significant accounting estimates.

Risk

A significant proportion of the Group's revenues and profits are derived from long-term aircraft maintenance and component overhaul contracts and fleet management contracts.

Revenue and profits recognised for services rendered is dependent on an assessment of the percentage of completion of the long term contract, and the forecast cost profile, including expected man-hours required to complete the contract, pattern of future maintenance activity, and other operating parameters of each contract. These require significant judgement to be applied in determining the amount of revenue and profits to be recognised in the year.

Our response

We tested the controls designed and applied by the Group over revenue recognition. Our testing of control procedures included, amongst others, the controls over the preparation and authorisation of contract evaluation, approval of revenue calculated and project costing.

We assessed the estimates applied to revenue recognised on a percentage of completion basis by verifying the costs incurred for work undertaken at the year end to supporting invoices and challenging the estimated cost to completion based on our understanding of the business and the historical analysis of the cost basis.

We assessed the historical accuracy of management's forecast for the cost of repair and overhauls by comparing actual costs at completion against initial budgeted costs.

Where expected losses are anticipated, we evaluated management's calculations of the expected losses and checked that the provision for loss made are adequate.

Findings

We found the estimates and judgements used to compute the amount of revenue and profit recognised in the year to be within acceptable range. Adequate provisions have been made on contracts that are loss-making and onerous.

Other Information

Management is responsible for the other information. The 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, Corporate Governance, Corporate Calendar, Share price and turnover and Shareholding Statistics ("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 Reports, 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 and FRSs, 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.

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 Tan Wah Yeow.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 May 2017