

News Release

ST Engineering Reports 4% Lower Year-on-Year Net Profit for 1H2020

FINANCIAL HIGHLIGHTS For the first half-year ended 30 June 2020			
	2020 1H	2019 1H	Change
Revenue (\$m)	3,572	3,511	2%
Earnings before interest and tax (EBIT) (\$m)	299.2	309.8	(3%)
Other income, net (\$m)	6.6	7.5	(12%)
Finance costs, net (\$m)	(33.1)	(9.3)	257%
Profit before tax (PBT) (\$m)	286.4	329.6	(13%)
Profit attributable to shareholders (Net Profit) (\$m)	257.4	269.3	(4%)
Earnings per share (cents)	8.26	8.63	(4%)

- Order book was \$15.9b as at end June 2020, of which about \$3.2b is expected to be delivered in the remaining months of 2020
- Commercial sales and defence sales constituted \$2.4b and \$1.2b respectively
- Cash and cash equivalents of \$342m

N.B.:

1) All currencies are in Singapore dollars

2) Government grants in the prior year were reclassified from other income to underlying expenses in cost of sales and operating expenses in conformance with current year classification.

Singapore, 14 August 2020 - Singapore Technologies Engineering Ltd (ST Engineering) today reported its first half-year financial results ended 30 June 2020 (1H2020). Group revenue in the first six months was \$3.57b, up 2% from \$3.51b a year ago in the same period. Compared to the same period last year, its first-half Profit before Tax (PBT) was \$286.4m, down 13% from \$329.6m, and its first-half Profit attributable to shareholders (Net Profit) was \$257.4m, down 4% from \$269.3m.

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GROUP REVENUE

The Marine sector revenue performance and acquisitions by the Aerospace and Electronics sectors in 2019 (i.e. MRAS in April and Newtec in October) resulted in revenue growth for 1H2020. However, this was largely offset by the impact of COVID-19 (namely, *reduction in customer demand, supply chain challenges, and workforce disruption*), especially on the Aerospace and Electronics sectors. Excluding the effects of these acquisitions, revenue was 7% lower than 1H2019.

GROUP NET PROFIT

The Group's Net Profit was impacted negatively by impairment of intangible assets, receivables, and fair value changes as the business outlook for some lines of business was forecasted to be poorer as a result of COVID-19. Further, its U.S. shipbuilding business experienced some project losses. Net Profit contribution (excluding the effects of impairment and shipbuilding) was impacted by COVID-19 but aided by cost reduction initiatives and Government support.

GOVERNMENT SUPPORT SCHEMES

The Singapore government Jobs Support Scheme (JSS) provides a 10-month wage subsidy for 2020, and is applied against a monthly salary cap of \$4,600 per month per local employee.

Other than the two circuit-breaker months of April and May 2020 where all companies are provided with 75% subsidy, the Aerospace sector's JSS benefit was classified as Tier-1 at 75% subsidy compared to Tier-2 at 50% for Marine sector, and Tier 3 at 25% for Electronics and Land Systems sectors for the remaining eight months.

About half of the 10-month subsidy was accrued in 1H2020, of which about 40% was for the Aerospace sector. The accrual policy adopted, consistent with ISCA's recommendations, is to recognise the JSS from April to December 2020.

Including financial stimulus packages provided by governments in locations where the Group's locally incorporated businesses operate in, the Group expects to receive more than \$300m in government support for full year 2020.

BUSINESS SECTORS: REVENUE AND NET PROFIT

- **Aerospace:** Revenue was up 1% y-o-y at \$1.47b, largely due to a full six months contribution from MRAS, compared to only two and a half months of contribution in the same period last year. Excluding MRAS, 1H2020 revenue for the sector would have dropped 17% compared to the same period last year. Its Net Profit was down 17% y-o-y from \$127.0m to \$105.0m due to lower volume of work and reduced MRO activities, partly offset by government support.
- **Electronics:** Revenue was 2% lower y-o-y at \$1.07b from \$1.09b, largely due to delays in project milestones and delivery schedules, as well as lower revenue recognition from communication projects, although this was partly offset by revenue contribution from iDirect Europe (formerly Newtec). Excluding iDirect Europe, 1H2020 revenue for the sector would have dropped 7% y-o-y. Its Net Profit grew 7% y-o-y to \$87.6m from \$81.6m, helped by government support and stronger cybersecurity business.
- **Land Systems:** Revenue was down 4% y-o-y to \$644m from \$673m due mainly to lower sales from U.S. Specialty Vehicle and MAN bus businesses, partially offset by stronger defence sales. Its Net Profit was up 17% from \$35.6m to \$41.8m helped by government support and lower operating expenses.
- **Marine:** Revenue was up 34% y-o-y to \$385m from \$288m but Net Profit was down 19% to \$21.4m from \$26.3m a year ago. This was largely due to weaker U.S. shipbuilding performance where some vessel constructions had cost overruns and were also priced low at the trough of the marine industry in 2018 to cover fixed overheads.

“We entered the COVID-19 pandemic from a position of strength. Our technology and engineering foundation built up over the years, our strong balance sheet, our diverse business mix and robust order book helped us weather the impact of COVID-19 and maintain even-keel for our first half results.

We are cognisant of the ‘tail wind’ afforded us through the various government support schemes (especially the Singapore government’s JSS) for 2020. We do not expect such

support beyond this year. We are working to position the Group to come out of the pandemic stronger and more competitive. This means focusing on cost reduction, productivity and talent acquisition, organising for growth and serving our customers better. We are also alert to opportunities that have emerged or been accentuated as a result of COVID-19. We are well positioned to benefit from areas like Passenger-to-Freighter conversion and smart city solutions, including safe access control management.

We are maintaining our guidance for FY2020 revenue to come in between 5% and 15% lower versus FY2019.”

Vincent Chong, President & CEO, ST Engineering

In the first half, commercial sales and defence sales accounted for \$2.4b and \$1.2b respectively of Group revenue. The Group has a strong operating cash flow of \$1.0b (resulting from strong customer advances) and as at 30 June 2020, it held \$342m in cash and cash equivalents.

New Contract Wins in 2Q2020 and Order Book

The Group's Aerospace and Electronics sectors collectively secured new contracts of about \$1.1b in the second quarter of 2020, bringing total contract wins in the first half for these two sectors to \$2.7b. The Aerospace sector was awarded new contracts worth about \$586m in 2Q2020 for a spectrum of its aviation manufacturing and MRO businesses, including MRO contracts from new customers such as a Chinese cargo airline. The Electronics sector won \$517m of new contracts in 2Q2020 for products and solutions in smart mobility, cybersecurity and public safety and security. Its mobility business extended footprint across Asia, and won a contract to deploy its next-generation Perimeter Intrusion Detection System for its first airport project in the U.S. The sector also won various contracts in cybersecurity, and public safety and security in Singapore, including contracts for the building and deployment of a Security Operations Centre, the provision of cybersecurity services, and secured communications equipment for customers in defence and other government sectors.

These new contracts, together with other contracts won but not disclosed, and after adjustments of revenue delivery and project cancellations, bring the Group's order book to

\$15.9b as at 30 June 2020. The Group expects to deliver about \$3.2b from the order book in the remaining months of 2020.

Interim Dividend

The Board of Director has approved an Interim Dividend of 5.0 cents per share. Shareholders will receive the payment on 2 September 2020.

ST Engineering is a global technology, defence and engineering group specialising in the aerospace, electronics, land systems and marine sectors. The Group employs about 23,000 people across offices in Asia, Europe, the Middle East and the U.S., serving customers in the defence, government and commercial segments in more than 100 countries. With more than 700 smart city projects across 130 cities in its track record, the Group continues to help transform cities through its suite of Smart Mobility, Smart Security and Smart Environment solutions. Headquartered in Singapore, ST Engineering reported revenue of \$7.9b in FY2019 and it ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, MSCI Singapore, iEdge SG ESG Transparency Index and iEdge SG ESG Leaders Index.

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FINANCIAL STATEMENTS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020

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SINGAPORE TECHNOLOGIES ENGINEERING LTD
UNAUDITED RESULTS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020

1 CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020

	GROUP		
	1H2020	1H2019	+ / (-)
	\$'000	\$'000	%
Revenue	3,571,911	3,511,342	1.7
Cost of sales	(2,835,014)	(2,775,309)	2.2
Gross profit	736,897	736,033	0.1
Distribution and selling expenses (refer to para 1.6)	(118,013)	(98,955)	19.3
Administrative expenses	(263,318)	(268,200)	(1.8)
Other operating expenses	(56,337)	(59,088)	(4.7)
Earnings before interest and tax (refer to para 1.1)	299,229	309,790	(3.4)
Other income	8,589	7,480	14.8
Other expenses	(2,020)	-	NM
Other income, net (refer to para 1.7)	6,569	7,480	(12.2)
Finance income	6,288	11,554	(45.6)
Finance costs	(39,431)	(20,825)	89.3
Finance costs, net (refer to para 1.2)	(33,143)	(9,271)	257.5
Share of results of associates and joint ventures, net of tax (refer to para 1.8)	13,755	21,637	(36.4)
Profit before taxation	286,410	329,636	(13.1)
Taxation	(31,050)	(54,254)	(42.8)
Profit after taxation	255,360	275,382	(7.3)
Attributable to:			
Shareholders of the Company	257,446	269,282	(4.4)
Non-controlling interests	(2,086)	6,100	NM
	255,360	275,382	(7.3)

NM: Not Meaningful

Note: Government grants in the prior year were reclassified from other income to underlying expenses in cost of sales and operating expenses in conformance with current year classification.

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

	GROUP		
	1H2020	1H2019	+ / (-)
	\$'000	\$'000	%
1.1 Earnings before interest and tax is arrived at after charging the following:			
Depreciation and amortisation	195,871	171,631	14.1
The higher depreciation and amortisation in 1H2020 was mainly attributable to the acquisitions of Middle River Aerostructure Systems, LLC (MRAS) in April 2019 and ST Engineering iDirect (Europe) NV (iDirect Europe) in October 2019, partially offset by absence of depreciation charged for Ropax.			
Impairment loss on trade receivables and contract assets	12,799	2,001	>500
The higher impairment loss in 1H2020 was due mainly to impairment of trade receivables and contract assets from customers in Aerospace and Electronics sectors.			
Allowance for inventory obsolescence, net	9,477	23,818	(60.2)
The allowance for inventory obsolescence in 1H2020 was lower as compared to 1H2019 mainly contributed by Aerospace and Electronics sectors.			
1.2 Finance costs, net comprises:			
Interest income	3,210	6,321	(49.2)
Foreign exchange (loss)/gain, net	(3,500)	2,730	NM
Fair value changes of financial instruments / hedged items	(1,703)	(779)	118.6
Fair value changes of associates	(5,462)	-	NM
Interest expenses	(25,688)	(17,707)	45.1
Others	-	164	(100.0)
	<u>(33,143)</u>	<u>(9,271)</u>	257.5
The higher finance cost in 1H2020 was due mainly to higher interest expense incurred on acquisition of MRAS and iDirect Europe, unfavourable net fair value changes of associates in the Corporate Venture Funds, unfavourable foreign exchange rate movements and lower interests income in the falling interest rate environment in 1H2020.			
1.3 Profit after taxation as a percentage of revenue	7.1%	7.8%	
1.4 Profit attributable to shareholders as a percentage of share capital and reserves at end of the period	11.5%	12.5%	
1.5 The Group's tax charge in 1H2020 included adjustments for overprovision of current tax of \$0.4 million and underprovision of deferred tax of \$1.2 million in respect of prior years. (1H2019: Adjustments for overprovision of both current tax and deferred tax of \$2.8 million and \$2.4 million respectively.)			
1.6 The higher selling and distribution expenses in 1H2020 (by \$19.1 million) was due mainly to biennial Singapore Airshow expenses and impairment loss on trade receivables and contract assets.			
1.7 The lower other income, net (by \$0.9 million) was mainly attributable to impairment of an associate in 1H2020.			
1.8 The share of results of associates and joint ventures, net of tax, decreased (by \$7.9 million) due mainly to weaker performance of associates of the Aerospace and Land Systems sectors, partially offset by contribution from Experia Events Pte. Ltd., the organiser of Singapore Airshow 2020.			
1.9 There was no disposal of property during the period.			

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

	GROUP		
	2020	2019	+/(-)
	\$'000	\$'000	%
Revenue reported for first half-year	3,571,911	3,511,342	1.7
Profit after taxation reported for first half-year	255,360	275,382	(7.3)

1(c) EARNINGS PER ORDINARY SHARE (EPS)

	GROUP		
	1H2020	1H2019	FY2019
EPS based on profit attributable to shareholders:	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares on issue	8.26	8.63	18.53
(ii) On a fully diluted basis	8.21	8.58	18.42

2 **BALANCE SHEETS**

	GROUP		COMPANY	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,793,355	1,805,034	29,561	28,688
Right-of-use assets	498,334	483,975	4,511	5,511
Subsidiaries	-	-	1,313,549	1,327,608
Associates and joint ventures	461,828	453,419	17,657	17,657
Investments	16,721	16,178	-	-
Intangible assets	2,035,606	1,980,215	-	-
Long-term trade receivables	1,246	1,668	-	-
Deferred tax assets	114,612	111,595	-	-
Amounts due from related parties	4,806	4,806	-	-
Advances and other receivables	12,477	11,849	-	-
Derivative financial instruments	12,798	13,351	-	-
	4,951,783	4,882,090	1,365,278	1,379,464
Current assets				
Contract assets	1,312,798	1,246,207	-	-
Inventories	1,475,743	1,311,858	-	-
Trade receivables	947,492	1,245,881	-	-
Amounts due from related parties	60,694	35,661	23,795	58,732
Advances and other receivables	349,567	345,744	6,385	4,566
Short-term investments	850	604	-	-
Bank balances and other liquid funds	342,953	453,230	3,188	16,271
	4,490,097	4,639,185	33,368	79,569
TOTAL ASSETS	9,441,880	9,521,275	1,398,646	1,459,033
EQUITY AND LIABILITIES				
Current liabilities				
Contract liabilities	1,257,935	1,043,215	-	-
Deposits from customers	30,129	9,291	-	-
Trade payables and accruals	1,714,468	2,012,897	9,367	18,817
Amounts due to related parties	54,760	70,007	95,671	4,836
Provisions	255,676	233,459	-	-
Provision for taxation	229,641	195,059	876	876
Borrowings	286,443	1,868,812	2,133	118
Deferred Income	12,428	2,403	-	-
Employee benefits	7,970	11,265	-	-
	3,849,450	5,446,408	108,047	24,647
NET CURRENT ASSETS / (LIABILITIES)	640,647	(807,223)	(74,679)	54,922

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

	GROUP		COMPANY	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Contract liabilities	882,362	422,992	-	-
Trade payables and accruals	36,405	57,983	6,321	6,334
Amounts due to related parties	-	-	1,050	1,003
Provisions	20,128	16,994	-	-
Deferred tax liabilities	169,059	174,732	1,000	2,268
Borrowings	1,516,017	468,895	2,467	5,434
Deferred income	35,048	34,309	-	-
Employee benefits	400,476	380,061	-	-
Derivative financial instruments	34,064	27,900	-	-
	3,093,559	1,583,866	10,838	15,039
TOTAL LIABILITIES	6,943,009	7,030,274	118,885	39,686
NET ASSETS	2,498,871	2,491,001	1,279,761	1,419,347
Share capital and reserves				
Share capital	895,926	895,926	895,926	895,926
Treasury shares	(11,397)	(26,731)	(11,397)	(26,731)
Capital reserves	106,995	112,563	(8,994)	(3,412)
Other reserves	(96,736)	(149,445)	54,108	68,952
Retained earnings	1,335,094	1,389,966	350,118	484,612
Equity attributable to owners of the Company	2,229,882	2,222,279	1,279,761	1,419,347
Non-controlling interests	268,989	268,722	-	-
	2,498,871	2,491,001	1,279,761	1,419,347
TOTAL EQUITY AND LIABILITIES	9,441,880	9,521,275	1,398,646	1,459,033

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

Compared to 31 December 2019, the Group's net current liabilities have turned to net current assets on the repayment of commercial papers and bank loans with proceeds received from the issuance of US\$750 million, 1.5% Medium Term Notes (MTN) on 29 April 2020 under the S\$5.0 billion Multicurrency Medium Term Note Programme established on 18 March 2020, and cash generated from operating activities.

The Group's contract liabilities have increased as it continues to win new long-term contracts from its customers and was able to secure advances from these customers.

2(b) BORROWINGS

	GROUP		COMPANY	
	As at 30-Jun-20 \$'000	As at 31-Dec-19 \$'000	As at 30-Jun-20 \$'000	As at 31-Dec-19 \$'000
<u>Amount repayable within one year</u>				
Secured	79,012	75,723	2,133	118
Unsecured	207,431	1,793,089	-	-
	<u>286,443</u>	<u>1,868,812</u>	<u>2,133</u>	<u>118</u>
<u>Amount repayable after one year</u>				
Secured	419,603	417,531	2,467	5,434
Unsecured	1,096,414	51,364	-	-
	<u>1,516,017</u>	<u>468,895</u>	<u>2,467</u>	<u>5,434</u>
Total	<u>1,802,460</u>	<u>2,337,707</u>	<u>4,600</u>	<u>5,552</u>

2(c) NET ASSET VALUE

	GROUP		
	1H2020	1H2019	FY2019
	Cents	Cents	Cents
Net asset value per ordinary share at end of the period/year	71.49	68.79	71.32

	COMPANY		
	1H2020	1H2019	FY2019
	Cents	Cents	Cents
Net asset value per ordinary share at end of the period/year	41.03	42.85	45.55

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020

	GROUP	
	1H2020	1H2019
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	286,410	329,636
Adjustments:		
Share of results of associates and joint ventures, net of tax	(13,755)	(21,637)
Share-based payment expense	9,569	11,208
Depreciation charge	149,312	132,842
Property, plant and equipment written off	185	376
Amortisation of other intangible assets	46,559	38,789
Gain on disposal of property, plant and equipment	(370)	(847)
Gain on disposal of an associate	-	(648)
Changes in fair value of financial instruments and hedged items	1,703	779
Changes in fair value of associates	5,462	-
Interest expense	25,688	17,707
Interest income	(3,210)	(6,321)
Impairment of property, plant and equipment	1,035	-
Impairment of other intangible assets	5,064	-
Impairment of an associate	2,000	-
Dividends from investments	-	(164)
Amortisation of deferred income	(3)	(33)
Operating cash flow before working capital changes	515,649	501,687
Changes in:		
Inventories	(125,983)	41,187
Contract assets	(55,252)	(79,483)
Trade receivables	319,600	60,375
Advance payments to suppliers	(25,388)	(14,964)
Other receivables, deposits and prepayments	27,889	(10,617)
Amount due from holding company and related corporations balances	(3,556)	187
Amount due to holding company and related corporations balances	(1,597)	(2,578)
Amount due from associates	1,701	3,544
Amount due from joint ventures	(16,035)	16,017
Contract liabilities	667,363	42,053
Trade payables	(73,312)	12,633
Deposits from customers	20,888	511
Other payables, accruals and provisions	(229,460)	(79,265)
Loans to staff and third parties	(3,149)	(3,007)
Deferred income	742	(1,294)
Foreign currency translation of foreign operations	1,331	(1,643)
Cash generated from operations	1,021,431	485,343
Interest received	3,900	3,996
Income tax paid	(8,457)	(66,507)
Net cash from operating activities	1,016,874	422,832

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020 (cont'd)

	GROUP	
	1H2020	1H2019
	\$'000	\$'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	2,605	935
Proceeds from disposal of an associate	-	648
Dividends from associates and joint ventures	7,351	23,083
Dividends from investments	-	164
Purchase of property, plant and equipment	(96,538)	(108,260)
Investment in associates and joint ventures	(2,022)	(4,233)
Loan to a joint venture	(20,901)	-
Additions to other intangible assets	(41,308)	(46,763)
Acquisition of controlling interests in a subsidiary	-	(688,905)
Net cash used in investing activities	(150,813)	(823,331)
Cash flows from financing activities		
Proceeds from bank loans	144,709	998,114
Proceeds from MTN issuance	1,058,400	-
Proceeds from finance lease receivables	1,238	-
Repayment of bank loans	(506,951)	(248,599)
Repayment of commercial papers	(1,285,690)	-
Repayment of lease obligations	(30,230)	(70,195)
Repayment of loan from a joint venture	-	(4,000)
Purchase of treasury shares	(14,661)	(22,117)
Capital contribution from non-controlling interests of subsidiaries	-	375
Dividends paid to shareholders of the Company	(312,147)	(312,164)
Dividends paid to non-controlling interests	(2,000)	(9,135)
Interest paid	(36,837)	(24,042)
Deposits pledged	(9)	(6)
Net cash (used in)/from financing activities	(984,178)	308,231
Net decrease in cash and cash equivalents	(118,117)	(92,268)
Cash and cash equivalents at beginning of the period	452,095	414,400
Exchange difference on cash and cash equivalents at beginning of the period	7,831	(1,041)
Cash and cash equivalents at end of the period	341,809	321,091

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

The Group ended the first half year with cash and cash equivalents (CCE) of \$342 million, \$21 million higher than 1H2019. In 1H2020, the Group generated net cash of \$1,017 million from its operating activities as compared to \$423 million in 1H2019. The higher net cash from operating activities was due to favourable working capital movements largely driven by higher advances received from customers and higher earnings before interest and tax, depreciation and amortisation (EBITDA).

Net cash used in investing activities of \$151 million in 1H2020 was attributable to the Group's investment in property, plant and equipment by Aerospace (\$51 million), Electronics (\$22 million), Land Systems (\$14 million), Marine (\$4 million) sectors and Others (\$5 million), additions to intangible assets (\$41 million) and loan to a joint venture (\$21 million).

Net cash used in financing activities of \$984 million in 1H2020 was mainly attributable to the net repayment of commercial papers (\$1,286 million), bank loans (\$362 million) and payment of FY2019 final dividend (\$312 million), partially offset by proceeds from issuance of MTN (\$1,058 million).

4 **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020**

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the SFRS(I).

	GROUP		
	1H2020	1H2019	+ / (-)
	\$'000	\$'000	%
Profit after taxation	255,360	275,382	(7.3)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI - net change in fair value	379	223	70.0
Items that are or may be reclassified subsequently to profit or loss			
Net fair value changes of cash flow hedges reclassified to income statement	19,994	(13,416)	NM
Effective portion of changes in fair value of cash flow hedges	(23,545)	(11,379)	106.9
Share of net fair value changes of cash flow hedges of joint ventures	(218)	(6,153)	(96.5)
Foreign currency translation differences	67,847	(15,348)	NM
Share of foreign currency translation differences of associates and joint ventures	7,635	(2,678)	NM
	71,713	(48,974)	NM
Other comprehensive income/(loss) for the period, net of tax	72,092	(48,751)	NM
Total comprehensive income for the period, net of tax	327,452	226,631	44.5
Total comprehensive income attributable to:			
Shareholders of the Company	325,125	222,035	46.4
Non-controlling interests	2,327	4,596	(49.4)
	327,452	226,631	44.5

5 STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020

Group	Share capital \$'000	Treasury Shares \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1.1.2019	895,926	(9,030)	118,174	(72,054)	1,313,361	2,246,377	288,236	2,534,613
Total comprehensive income for the period								
Profit after taxation for the period	-	-	-	-	269,282	269,282	6,100	275,382
Other comprehensive income								
Net change in fair value - Equity investments at FVOCI	-	-	-	223	-	223	-	223
Reclassified to income statement - Net fair value changes on cash flow hedges	-	-	-	(13,522)	-	(13,522)	106	(13,416)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(11,405)	-	(11,405)	26	(11,379)
Share of net fair value changes of cash flow hedges of joint ventures	-	-	-	(6,153)	-	(6,153)	-	(6,153)
Foreign currency translation differences	-	-	-	(13,712)	-	(13,712)	(1,636)	(15,348)
Share of foreign currency translation differences of associates and joint ventures	-	-	-	(2,678)	-	(2,678)	-	(2,678)
<i>Other comprehensive income for the period, net of tax</i>	-	-	-	(47,247)	-	(47,247)	(1,504)	(48,751)
Total comprehensive income for the period, net of tax	-	-	-	(47,247)	269,282	222,035	4,596	226,631
Hedging gains and losses and cost of hedging transferred to the cost of inventory	-	-	-	1,675	-	1,675	-	1,675
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Capital contribution by non-controlling interests	-	-	-	-	-	-	375	375
Cost of share-based payment	-	-	-	11,179	-	11,179	29	11,208
Purchase of treasury shares	-	(22,117)	-	-	-	(22,117)	-	(22,117)
Treasury shares reissued pursuant to share plans	-	24,500	(5,266)	(19,347)	-	(113)	(78)	(191)
Dividends paid	-	-	-	-	(312,164)	(312,164)	-	(312,164)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(9,135)	(9,135)
<i>Total contributions by and distributions to owners of the Company</i>	-	2,383	(5,266)	(8,168)	(312,164)	(323,215)	(8,809)	(332,024)
Total transactions with owners of the Company	-	2,383	(5,266)	(8,168)	(312,164)	(323,215)	(8,809)	(332,024)
Transfer from retained earnings to statutory reserve	-	-	-	133	(133)	-	-	-
At 30.06.2019	895,926	(6,647)	112,908	(125,661)	1,270,346	2,146,872	284,023	2,430,895

5 STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020 (cont'd)

Group	Share capital \$'000	Treasury Shares \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1.1.2020	895,926	(26,731)	112,563	(149,445)	1,389,966	2,222,279	268,722	2,491,001
Total comprehensive income for the period								
Profit after taxation for the period	-	-	-	-	257,446	257,446	(2,086)	255,360
Other comprehensive income								
Net change in fair value -								
Equity investments at FVOCI	-	-	-	379	-	379	-	379
Reclassified to income statement -								
Net fair value changes on cash flow hedges	-	-	-	13,703	-	13,703	6,291	19,994
Effective portion of changes in fair value of cash flow hedges	-	-	-	(17,986)	-	(17,986)	(5,559)	(23,545)
Share of net fair value changes of cash flow hedges of joint ventures	-	-	-	(218)	-	(218)	-	(218)
Foreign currency translation differences	-	-	-	64,166	-	64,166	3,681	67,847
Share of foreign currency translation differences of associates and joint ventures	-	-	-	7,635	-	7,635	-	7,635
<i>Other comprehensive loss for the period, net of tax</i>	-	-	-	67,679	-	67,679	4,413	72,092
Total comprehensive income for the period, net of tax	-	-	-	67,679	257,446	325,125	2,327	327,452
Hedging gains and losses and cost of hedging transferred to the cost of inventory	-	-	-	(340)	-	(340)	(3)	(343)
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Cost of share-based payment	-	-	-	9,539	-	9,539	30	9,569
Purchase of treasury shares	-	(14,661)	-	-	-	(14,661)	-	(14,661)
Treasury shares reissued pursuant to share plans	-	29,995	(5,568)	(24,340)	-	87	(87)	-
Dividends paid	-	-	-	-	(312,147)	(312,147)	-	(312,147)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(2,000)	(2,000)
<i>Total contributions by and distributions to owners of the Company</i>	-	15,334	(5,568)	(14,801)	(312,147)	(317,182)	(2,057)	(319,239)
Total transactions with owners of the Company	-	15,334	(5,568)	(14,801)	(312,147)	(317,182)	(2,057)	(319,239)
Transfer from retained earnings to statutory reserve	-	-	-	171	(171)	-	-	-
At 30.06.2020	895,926	(11,397)	106,995	(96,736)	1,335,094	2,229,882	268,989	2,498,871

5 STATEMENT OF CHANGES IN EQUITY FOR THE FIRST HALF-YEAR ENDED 30 JUNE 2020 (cont'd)

Company	Share capital \$'000	Treasury Shares \$'000	Capital reserve \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1.1.2019	895,926	(9,030)	2,199	65,054	493,363	1,447,512
Total comprehensive income for the period						
Profit after taxation for the period	-	-	-	-	213,054	213,054
Total comprehensive income for the period	-	-	-	-	213,054	213,054
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Cost of share-based payment	-	-	-	11,208	-	11,208
Purchase of treasury shares	-	(22,117)	-	-	-	(22,117)
Treasury shares reissued pursuant to share plans	-	24,500	(5,270)	(19,421)	-	(191)
Dividends paid	-	-	-	-	(312,164)	(312,164)
<i>Total contributions by and distributions to owners of the Company</i>	-	2,383	(5,270)	(8,213)	(312,164)	(323,264)
At 30.06.2019	895,926	(6,647)	(3,071)	56,841	394,253	1,337,302
At 1.1.2020	895,926	(26,731)	(3,412)	68,952	484,612	1,419,347
Total comprehensive income for the period						
Profit after taxation for the period	-	-	-	-	177,653	177,653
Total comprehensive income for the period	-	-	-	-	177,653	177,653
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Cost of share-based payment	-	-	-	9,569	-	9,569
Purchase of treasury shares	-	(14,661)	-	-	-	(14,661)
Treasury shares reissued pursuant to share plans	-	29,995	(5,582)	(24,413)	-	-
Dividends paid	-	-	-	-	(312,147)	(312,147)
<i>Total contributions by and distributions to owners of the Company</i>	-	15,334	(5,582)	(14,844)	(312,147)	(317,239)
At 30.06.2020	895,926	(11,397)	(8,994)	54,108	350,118	1,279,761

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

Issued and paid up capital

As at 30 June 2020, the Company has an issued share capital of 3,122,495,197 ordinary shares (31 December 2019: 3,122,495,197 ordinary shares) of which 3,344,752 were held by the Company as treasury shares (31 December 2019: 6,753,707).

	Number of Shares
	1H2020
As at beginning and end of the first half-year (including treasury shares)	3,122,495,197
As at end of the first half-year (excluding treasury shares)	3,119,150,445
As at 31 December 2019 (excluding treasury shares)	3,115,741,490

Singapore Technologies Engineering Performance Share Plan 2010 (PSP 2010)

As at 30 June 2020, the total number of outstanding awards was 5,778,342 (30 June 2019: 4,930,958) ordinary shares of the Company. Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 9,823,181 (30 June 2019: 8,382,628) ordinary shares of the Company.

Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)

As at 30 June 2020, the total number of outstanding awards was 14,185,858 (30 June 2019: 14,024,908) ordinary shares of the Company.

Treasury Shares

During the first half year, the Company purchased 4,300,000 ordinary shares by way of open market acquisitions, all of which were held by the Company as treasury shares (1H2019: 5,900,900).

During the first half year, 7,708,955 treasury shares were utilised pursuant to the RSP 2010, RSP 2020 and PSP 2010 (1H2019: 6,845,746).

As at 30 June 2020, the number of treasury shares held by the Company represented 0.11% (30 June 2019: 0.06%) of the total number of issued shares (excluding treasury shares).

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

<u>Group and Company</u>	Number of Treasury Shares for the half-year ended 30.06.2020
As at beginning of the year	6,753,707
Purchase of treasury shares	4,300,000
Treasury shares transferred on vesting of RSP 2010	(5,182,952)
Treasury shares transferred on vesting of RSP 2020	(148,900)
Treasury shares transferred on vesting of PSP 2010	(2,377,103)
As at end of the first half-year	3,344,752

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 2019 except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) that are mandatory for financial year beginning on or after 1 January 2020. The adoption of these SFRS(I) has no significant impact on the financial statements.

9 **CHANGES IN ACCOUNTING POLICIES**

There are no changes to the accounting policies.

10 REVIEW OF GROUP PERFORMANCE

10(a) **Revenue**

1H2020 vs 1H2019

\$m	1H2020	1H2019	Increase/(Decrease)	
Aerospace	1,470	1,458	12	1%
Electronics	1,069	1,088	(19)	(2%)
Land Systems	644	673	(29)	(4%)
Marine	385	288	97	34%
Others	4	4	—	—
Total	3,572	3,511	61	2%

The Group generated revenue of \$3,572 million in 1H2020, an increase of 2% or \$61 million as compared to 1H2019. Aerospace and Marine sectors reported higher revenue, partially offset by lower revenue from Electronics and Land Systems sectors. The Group was impacted by COVID-19 due to reduction in customer demand, supply chain challenges, and workforce disruption, especially for Aerospace and Electronics sectors.

Aerospace sector's revenue of \$1,470 million increased by 1% or \$12 million as compared to 1H2019. The increase was attributable to **Engineering & Material Services** business group from full six months' as compared to two-and-a-half months' contribution by MRAS, partially offset by lower revenue from **Aircraft Maintenance & Modification** and **Component/Engine Repair and Overhaul** business groups from reduced activities due to COVID-19.

Revenue for Electronics sector of \$1,069 million in 1H2020 came in 2% or \$19 million lower as compared to 1H2019 due mainly to lower revenue from **Communication & Sensor Systems Group**, impacted by COVID-19, partially offset by higher revenue from **Large-Scale Systems Group** and **Software Systems Group**.

1H2020 revenue for Land Systems sector declined by 4% or \$29 million to \$644 million due to impact of COVID-19 on its US specialty vehicles business, and lower MAN bus sales, partially offset by stronger defence revenue in **Automotive** business group.

In 1H2020, Marine sector delivered revenue of \$385 million, an increase of 34% or \$97 million as compared to 1H2019. The increase in revenue was attributable to **Shipbuilding** business group, partially offset by **Shiprepair** and **Engineering** business groups.

Note: With effect from 1 January 2020, Miltope was re-organised from Others into Electronics sector and all comparatives were restated in conformance with current year classification.

10 REVIEW OF GROUP PERFORMANCE (cont'd)

10(b) Profitability

1H2020 vs 1H2019

\$m	1H2020	1H2019	Increase/(Decrease)	
Aerospace	105.0	127.0	(22.0)	(17%)
Electronics	87.6	81.6	6.0	7%
Land Systems	41.8	35.6	6.2	17%
Marine	21.4	26.3	(4.9)	(19%)
Others	1.6	(1.2)	2.8	NM
Total	257.4	269.3	(11.9)	(4%)

In 1H2020, the Group recorded profit attributable to shareholders (Net Profit) of \$257.4 million, a decrease of 4% or \$11.9 million as compared to 1H2019. This was attributable to Aerospace and Marine sectors, partially offset by Electronics, Land Systems and "Others". Group's Net Profit was impacted by COVID-19, but aided by cost reduction measures and government support. Weaker business outlook has also resulted in the impairment of intangible assets, receivables and unfavourable fair value changes.

Aerospace sector's Net Profit decreased by 17% or \$22.0 million to \$105.0 million in 1H2020. The decrease was due largely to lower activities, impairment loss on trade receivables and intangible assets, and share of lower profits from associates and joint ventures, partially offset by higher contribution from MRAS and government support.

Electronics sector's Net Profit in 1H2020 of \$87.6 million was 7% or \$6.0 million higher than 1H2019. The increase was largely due to government support, partially offset by the impact of lower revenue and unfavourable sales mix.

Land Systems sector's 1H2020 Net Profit of \$41.8 million was higher by 17% or \$6.2 million as compared to 1H2019. The increase was due mainly to government support and lower operating expenses, partially offset by the impact of lower revenue, unfavourable sales mix, impairments and weaker performance from associates.

In 1H2020, Marine sector's Net Profit declined by 19% or \$4.9 million to \$21.4 million, largely due to weaker shipbuilding performance, partially offset by government support.

"Others" reported Net Profit instead of losses in 1H2020 due mainly contributions from an associate, Experia Events Pte. Ltd., the organiser of biennial Singapore Airshow 2020, partially offset by unfavourable fair value changes of associates in the Corporate Venture Fund.

11 **VARIANCE FROM PROSPECTS STATEMENT**

No forecast for 1H2020 was previously provided.

12 **PROSPECTS**

Group

The Group entered the COVID-19 pandemic this year from a position of strength. The Group's technology and engineering foundation built up over the years, its strong balance sheet, its diverse business mix and robust order book helped it weather the impact of COVID-19 and maintain even-keel for its first half results.

The Group is cognisant of the 'tail wind' afforded it through the various government support schemes (especially the Singapore government's JSS) for 2020. The Group does not expect such support beyond this year. The Group is working to position itself to come out of the pandemic stronger and more competitive. This means focusing on cost reduction, productivity and talent acquisition, organising for growth and serving its customers better. The Group is also alert to opportunities that have emerged or been accentuated as a result of COVID-19. The Group is well positioned to benefit from areas like Passenger-to-Freighter conversion and smart city solutions, including safe access control management.

The Group is maintaining its guidance for FY2020 revenue to come in between 5% and 15% lower versus FY2019.

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

13 **DIVIDENDS**

On 13 August 2020, the Directors approved an interim dividend of 5.0 cents per ordinary share for the financial year ending 31 December 2020.

The financial statements for the first half-year ended, and as at 30 June 2020, do not reflect this interim dividend. The dividend will be accounted for in shareholders' equity as an appropriation of Retained Earnings in the financial year ending 31 December 2020.

(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	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 tax exempt (1-tier)
Dividend Type	Cash
Dividend Per Share	5.0 cents per ordinary share

(c) Record and Dividend Payment Dates

NOTICE IS HEREBY GIVEN THAT The Register of Members and Share Transfer Books will be closed on 25 August 2020 for the preparation of dividend warrants. Duly completed transfers in respect of ordinary shares in the capital of the Company together with all relevant documents of title received by the Company's share registrar, M & C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 p.m. on 24 August 2020 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 24 August 2020 will be entitled to the interim dividend. The interim dividend will be paid on 2 September 2020.

14 BUSINESS SEGMENTAL INFORMATION
By Business Activity

	1H2020						
	Aerospace	Electronics	Land Systems	Marine	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	1,470,188	1,068,747	643,764	384,751	4,461	-	3,571,911
Inter-segment sales	1,252	13,143	18,691	82	1,145	(34,313)	-
	<u>1,471,440</u>	<u>1,081,890</u>	<u>662,455</u>	<u>384,833</u>	<u>5,606</u>	<u>(34,313)</u>	<u>3,571,911</u>
Reportable segment earnings before interest and tax	115,956	102,073	56,106	21,805	3,289	-	299,229
Other income	3,008	5,506	1,699	1,703	352	(3,679)	8,589
Other expenses	(357)	(350)	(2,023)	(20)	(3)	733	(2,020)
Finance income	14,881	2,718	1,685	1,606	33,707	(48,309)	6,288
Finance costs	(27,522)	(10,966)	(4,271)	(3,374)	(42,648)	49,350	(39,431)
Share of results of associates and joint ventures, net of tax	14,332	(2,361)	(4,017)	426	5,375	-	13,755
Profit before taxation	<u>120,298</u>	<u>96,620</u>	<u>49,179</u>	<u>22,146</u>	<u>72</u>	<u>(1,905)</u>	<u>286,410</u>
Taxation	(18,044)	(8,391)	(7,310)	(758)	3,453	-	(31,050)
Non-controlling interests	<u>2,778</u>	<u>(658)</u>	<u>(34)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,086</u>
Profit attributable to shareholders	<u>105,032</u>	<u>87,571</u>	<u>41,835</u>	<u>21,388</u>	<u>3,525</u>	<u>(1,905)</u>	<u>257,446</u>
Other assets	4,490,013	3,146,051	2,116,615	920,817	5,611,346	(7,304,790)	8,980,052
Associates and joint ventures	<u>274,397</u>	<u>70,808</u>	<u>69,883</u>	<u>3,288</u>	<u>43,452</u>	<u>-</u>	<u>461,828</u>
Segment assets	<u>4,764,410</u>	<u>3,216,859</u>	<u>2,186,498</u>	<u>924,105</u>	<u>5,654,798</u>	<u>(7,304,790)</u>	<u>9,441,880</u>
Segment liabilities	<u>3,820,979</u>	<u>2,614,655</u>	<u>1,830,158</u>	<u>927,178</u>	<u>3,613,556</u>	<u>(5,863,517)</u>	<u>6,943,009</u>
Capital expenditure	62,673	59,240	33,575	4,024	7,807	-	167,319
Depreciation and amortisation	91,275	57,784	28,126	13,865	7,445	(2,624)	195,871
Impairment losses	6,099	-	2,000	-	-	-	8,099
Other non-cash expenses	149	22	14	-	-	-	185

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

	1H2019						Group \$'000
	Aerospace \$'000	Electronics \$'000	Land Systems \$'000	Marine \$'000	Others \$'000	Elimination \$'000	
Revenue							
External sales	1,458,436	1,088,038	673,022	288,384	3,462	-	3,511,342
Inter-segment sales	2,452	13,447	15,391	5	1,333	(32,628)	-
	<u>1,460,888</u>	<u>1,101,485</u>	<u>688,413</u>	<u>288,389</u>	<u>4,795</u>	<u>(32,628)</u>	<u>3,511,342</u>
Reportable segment earnings before interest and tax	145,870	100,814	41,055	30,858	(8,807)	-	309,790
Other income	3,294	5,598	2,388	1,739	456	(5,995)	7,480
Other expenses	(2,622)	(12)	(100)	(47)	(178)	2,959	-
Finance income	9,673	2,085	1,288	1,826	66,936	(70,254)	11,554
Finance costs	(19,452)	(9,469)	(5,040)	(2,599)	(54,519)	70,254	(20,825)
Share of results of associates and joint ventures, net of tax	21,696	(598)	2,647	(299)	(1,809)	-	21,637
Profit before taxation	158,459	98,418	42,238	31,478	2,079	(3,036)	329,636
Taxation	(25,096)	(16,571)	(7,231)	(5,161)	(195)	-	(54,254)
Non-controlling interests	(6,409)	(271)	580	-	-	-	(6,100)
Profit attributable to shareholders	<u>126,954</u>	<u>81,576</u>	<u>35,587</u>	<u>26,317</u>	<u>1,884</u>	<u>(3,036)</u>	<u>269,282</u>
Other assets	4,564,890	2,454,436	1,672,583	813,487	5,322,333	(6,374,741)	8,452,988
Associates and joint ventures	254,688	61,865	87,706	3,796	42,454	-	450,509
Segment assets	<u>4,819,578</u>	<u>2,516,301</u>	<u>1,760,289</u>	<u>817,283</u>	<u>5,364,787</u>	<u>(6,374,741)</u>	<u>8,903,497</u>
Segment liabilities	<u>3,874,701</u>	<u>2,080,106</u>	<u>1,396,720</u>	<u>802,712</u>	<u>3,246,109</u>	<u>(4,927,746)</u>	<u>6,472,602</u>
Capital expenditure	130,344	59,919	16,845	4,401	6,541	698	218,748
Depreciation and amortisation	86,068	39,190	25,549	17,294	5,194	(1,664)	171,631
Other non-cash expenses	331	-	45	-	-	-	376

14 BUSINESS SEGMENTAL INFORMATION (cont'd)
By Geographical Areas

	Revenue			
	1H2020		1H2019	
	\$'000	%	\$'000	%
Asia	1,840,100	51.5	1,929,629	55.0
U.S.	852,291	23.9	770,033	21.9
Europe	669,281	18.7	586,001	16.7
Others	210,239	5.9	225,679	6.4
Total	<u>3,571,911</u>	<u>100</u>	<u>3,511,342</u>	<u>100</u>

By Country of Incorporation

	Revenue			
	1H2020		1H2019	
	\$'000	%	\$'000	%
Asia	2,141,252	60.0	2,322,432	66.1
U.S.	1,111,934	31.1	858,555	24.5
Europe	290,133	8.1	287,221	8.2
Others	28,592	0.8	43,134	1.2
Total	<u>3,571,911</u>	<u>100</u>	<u>3,511,342</u>	<u>100</u>

	Non-Current Assets ⁺			
	1H2020		1H2019	
	\$'000	%	\$'000	%
Asia	1,795,108	37.2	1,860,108	41.7
U.S.	1,694,976	35.2	1,671,939	37.5
Europe	1,241,188	25.7	828,540	18.6
Others	93,101	1.9	98,750	2.2
Total	<u>4,824,373</u>	<u>100</u>	<u>4,459,337</u>	<u>100</u>

⁺ Non-current assets for the purpose of SFRS(I) 8 *Operating Segments* excludes derivative financial instruments, employee benefits and deferred tax assets.

15 **INTERESTED PERSON TRANSACTIONS** (unaudited)

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

	1H2020 \$'000	1H2019 \$'000
Transactions for the Sale of Goods and Services		
CapitaLand Limited and its Associates	691	-
SATS Ltd. and its Associates	5,028	6,016
SembCorp Industries Ltd and its Associates	151	-
Singapore Airlines Limited and its Associates	-	1,355
SIA Engineering Company Limited and its Associates	102	-
Singapore Telecommunications Limited and its Associates	481	410
StarHub Ltd and its Associates	1,315	612
Temasek Holdings (Private) Limited and its Associates (non-listed)	34,814	65,365
	42,582	73,758
Transactions for the Purchase of Goods and Services		
Mapletree Industrial Trust	-	11,851
SATS Ltd. and its Associates	2,292	2,154
SembCorp Industries Ltd and its Associates	2,026	7,585
Singapore Telecommunications Limited and its Associates	161	474
Temasek Holdings (Private) Limited and its Associates (non-listed)	47,492	7,057
	51,971	29,121
Total Interested Person Transactions	94,553	102,879

16 **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 first half-year ended 30 June 2020 to be false or misleading in any material respect.

17 **CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

BY ORDER OF THE BOARD

LOW MENG WAI
Company Secretary
14 August 2020

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