



**SIA ENGINEERING POSTS GROUP PROFIT OF \$40.5M
FOR 1st QUARTER 2018-19**

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1 st Quarter		Year-on-Year % Change
	<u>2018-19</u>	<u>2017-18</u> (Restated) ^{Note 1}	
• Revenue	\$257.7M	\$272.8M	- 5.5
• Operating profit	\$10.2M	\$18.7M	- 45.5
• Share of profits of associated and joint venture companies, net of tax	\$32.4M	\$21.1M	+ 53.6
• Profit attributable to owners of the parent	\$40.5M	\$36.7M	+ 10.4
• Basic earnings per share	3.62	3.28	+ 10.4

GROUP EARNINGS

The Group recorded a profit attributable to owners of the parent of \$40.5 million for the quarter ended 30 June 2018, an increase of \$3.8 million or 10.4%, mainly from an increase in share of profits of associated and joint venture companies, partially offset by a decrease in operating profit.

Operating profit of \$10.2 million was \$8.5 million or 45.5% lower than the same quarter last year. Revenue at \$257.7 million was \$15.1 million or 5.5% lower year-on-year, mainly due to lower airframe and fleet management revenue. Expenditure decreased year-on-year by \$6.6 million or 2.6% to \$247.5 million, mainly due to an exchange gain of \$2.8 million in the current quarter against an exchange loss of \$1.8 million in the same quarter last year, and lower subcontract services costs.

Share of profits of associated and joint venture companies increased \$11.3 million or 53.6% to \$32.4 million, contributed by an \$11.8 million increase in share of profits from the engine and component centres.

Basic earnings per share was 3.62 cents for the current quarter.

Note 1: As required by the listing rules of the Singapore Exchange, the Group adopted the International Financial Reporting Standards (IFRS) with effect from 1 April 2018. The Group's unaudited financial statements for the first quarter ended 30 June 2018 were prepared in accordance with IFRS. Prior year comparatives have been restated as mandated by the transition requirements.

Note 2: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2018 were announced on 19 July 2018. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Group comprises the Company and its subsidiary, joint venture and associated companies.)

GROUP FINANCIAL POSITION

As at 30 June 2018, equity attributable to owners of the parent of \$1,544.5 million was \$60.8 million or 4.1% higher than at 31 March 2018, mainly due to profits earned during the quarter and a gain in foreign currency translation reserves as a result of the strengthening of the US dollar against the Singapore dollar. Total assets stood at \$1,905.5 million, an increase of \$101.6 million or 5.6%. The Group's cash balance was \$570.9 million as at 30 June 2018.

Net asset value per share as at 30 June 2018 was 138.1 cents.

OUTLOOK

While the MRO environment remains challenging, the Group's performance will continue to benefit from its portfolio of strategic partnerships.

The transformation journey we have embarked on to better serve our customers and improve our performance is progressing with phased implementation of various productivity and revenue generation initiatives. We will continue to invest in innovation and technology to enhance our capabilities.

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(For the complete first quarter 2018-19 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

For more information, please contact:

Tan May Lyn
Acting Manager Corporate
SIA Engineering Company Limited
Tel: (65) 6548 1157
E-mail: maylyn_tan@singaporeair.com.sg

Company Registration No: 198201025C

GROUP FINANCIAL STATISTICS

	1st Quarter 2018-19	1st Quarter 2017-18 (Restated)^{R1}
Financial Results (\$ million)		
Total revenue	257.7	272.8
Total expenditure	247.5	254.1
Operating profit	10.2	18.7
Non-operating items	1.5	1.1
Share of profits of associated companies, net of tax	22.0	16.8
Share of profits of joint venture companies, net of tax	10.4	4.3
Profit before taxation	44.1	40.9
Profit attributable to owners of the parent	40.5	36.7
Per Share Data		
Earnings before tax (cents)	3.95	3.65
Earnings after tax (cents) - basic ^{R2}	3.62	3.28
- diluted ^{R3}	3.62	3.28
	As at 30 Jun 2018	As at 31 Mar 2018 (Restated)^{R1}
Financial Position (\$ million)		
Share capital	420.0	420.0
Treasury shares	(21.3)	(21.3)
Reserves		
Capital reserve	2.8	2.8
Share-based compensation reserve	5.5	7.1
Foreign currency translation reserve	(15.8)	(38.9)
Fair value reserve	0.1	3.6
Equity transaction reserve	(2.4)	(2.4)
General reserve	1,155.6	1,112.8
Equity attributable to owners of the parent	1,544.5	1,483.7
Total assets	1,905.5	1,803.9
Net asset value per share (cents) ^{R4}	138.1	132.7

^{R1} As required by the listing rules of the Singapore Exchange, the Group adopted the International Financial Reporting Standards (IFRS) with effect from 1 April 2018. The Group's unaudited financial statements for the first quarter ended 30 June 2018 were prepared in accordance with IFRS. Prior year comparatives have been restated as mandated by the transition requirements.

^{R2} Earnings after tax per share (basic) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue less treasury shares.

^{R3} Earnings after tax per share (diluted) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue less treasury shares, after adjusting for the dilutive effect on the exercise of all outstanding share options, performance shares and restricted shares granted to employees.

^{R4} Net asset value per share is computed by dividing equity attributable to owners of the parent by the number of ordinary shares in issue less treasury shares.