



**UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED
31 DECEMBER 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 THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017 (IN \$ MILLION)**

	The Group		The Group	
	3 rd Quarter 2017-18	3 rd Quarter 2016-17	9 Months 2017-18	9 Months 2016-17
REVENUE	271.0	272.3	818.5	808.7
EXPENDITURE				
Staff costs	123.5	125.3	374.5	384.3 ^{R1}
Material costs	45.8	43.4	135.9	136.4
Depreciation	12.7	12.1	37.5	35.3
Amortisation of intangibles	1.4	1.3	4.1	3.5
Company accommodation	12.3	12.1	37.6	37.5
Subcontract costs	32.7	34.3	102.7	101.1
Other operating expenses	24.4	18.6	70.4	62.5
	252.8	247.1	762.7	760.6
OPERATING PROFIT	18.2	25.2	55.8	48.1^{R1}
Interest income	1.1	1.0	3.6	2.9
Interest on external borrowings	(0.2)	(0.2)	(0.6)	(0.5)
Surplus/(Loss) on disposal of property, plant and equipment	0.4	*	0.9	(0.1)
Surplus on partial disposal of an associated company	-	2.3	-	2.3
Surplus on disposal of non-current asset held for sale	-	-	-	141.6
Dividend from non-current asset held for sale	-	-	-	39.5
Share of profits of associated companies, net of tax	17.9	17.3	52.9	42.9
Share of profits of joint venture companies, net of tax	22.9	14.3	31.9	26.6
PROFIT BEFORE TAXATION	60.3	59.9	144.5	303.3
Taxation expense	(5.2)	(6.3)	(14.8)	(13.1)
PROFIT FOR THE PERIOD	55.1	53.6	129.7	290.2
PROFIT ATTRIBUTABLE TO: OWNERS OF THE PARENT				
	54.8	52.6	129.1	286.5^{R2}
Non-controlling interests	0.3	1.0	0.6	3.7
	55.1	53.6	129.7	290.2
BASIC EARNINGS PER SHARE (CENTS)	4.90	4.69	11.54	25.53
DILUTED EARNINGS PER SHARE (CENTS)	4.89	4.68	11.52	25.48

* Amount less than \$0.1M

Note:

R1: The staff costs of \$384.3M in 9M 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 nine months was \$69.4M. After taking into account this one-time impact, the Group showed an operating profit of \$48.1M in 9M FY2016-17.

R2: Profit attributable to owners of the parent of \$286.5M 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 \$126.1M.

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

	The Group		The Group	
	3 rd Quarter 2017-18	3 rd Quarter 2016-17	9 Months 2017-18	9 Months 2016-17
	\$M	\$M	\$M	\$M
Provision/(Write back of provision) for impairment of trade debtors, net	0.2	(0.1)	2.6	(0.4)
Exchange loss/(gain), net	1.7	(4.8)	4.5	(9.8)
(Over)/ under provision of tax in respect of prior year	*	0.4	*	0.2
Provision for stock obsolescence, net	0.8	0.6	2.5	1.9

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

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017 (IN \$ MILLION)**

	The Group			
	3 rd Quarter 2017-18	3 rd Quarter 2016-17	9 Months 2017-18	9 Months 2016-17
PROFIT FOR THE PERIOD	55.1	53.6	129.7	290.2
OTHER COMPREHENSIVE INCOME				
<u>Items that will not be reclassified to profit or loss:</u>				
Actuarial gain/ (loss) on remeasurement of defined benefit plan	*	*	*	*
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation	(9.1)	35.8	(27.4)	42.0
Realisation of foreign currency translation reserve on partial disposal of an associated company	-	*	-	*
Net fair value adjustment on cash flow hedges	(0.5)	(1.6)	(0.7)	(2.5)
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	1.1	(4.1)	4.2	(3.5)
	<u>(8.5)</u>	<u>30.1</u>	<u>(23.9)</u>	<u>(105.9)</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX	(8.5)	30.1	(23.9)	(105.9)
TOTAL COMPREHENSIVE INCOME	46.6	83.7	105.8	184.3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	46.7	81.2	106.4	179.3
Non-controlling interests	(0.1)	2.5	(0.6)	5.0
	<u>46.6</u>	<u>83.7</u>	<u>105.8</u>	<u>184.3</u>

* Amount less than \$0.1M

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017 (IN \$ MILLION)**

	The Company			
	3rd Quarter 2017-18	3rd Quarter 2016-17	9 Months 2017-18	9 Months 2016-17
PROFIT FOR THE PERIOD	41.3	38.1	124.1	259.3
OTHER COMPREHENSIVE INCOME				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Net fair value adjustment on cash flow hedges	(0.5)	(1.6)	(0.7)	(2.5)
Realisation of fair value changes on non-current asset held for sale	-	-	-	(141.9)
OTHER COMPREHENSIVE INCOME, NET OF TAX	(0.5)	(1.6)	(0.7)	(144.4)
TOTAL COMPREHENSIVE INCOME	40.8	36.5	123.4	114.9

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 DECEMBER 2017 (IN \$ MILLION)

	The Group		The Company	
	31 Dec 2017	31 Mar 2017	31 Dec 2017	31 Mar 2017
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	420.0	420.0	420.0	420.0
Treasury shares	(21.0)	(15.2)	(21.0)	(15.2)
Capital reserve	2.8	2.7	2.8	2.7
Share-based compensation reserve	6.4	16.0	6.4	16.0
Foreign currency translation reserve	(94.2)	(68.0)	-	-
Fair value reserve	2.9	(0.6)	(0.3)	0.4
Equity transaction reserve	(2.4)	(2.4)	-	-
General reserve	1,137.2	1,201.5	775.4	844.7
	1,451.7	1,554.0	1,183.3	1,268.6
NON-CONTROLLING INTERESTS	32.3	34.0	-	-
TOTAL EQUITY	1,484.0	1,588.0	1,183.3	1,268.6
NON-CURRENT LIABILITIES				
Deferred taxation	27.4	29.1	25.6	26.3
Long-term bank loan	18.5	21.9	-	-
	45.9	51.0	25.6	26.3
	1,529.9	1,639.0	1,208.9	1,294.9
Represented by :				
PROPERTY, PLANT AND EQUIPMENT	315.2	331.6	255.5	270.2
INTANGIBLES	68.0	65.3	8.3	6.1
SUBSIDIARY COMPANIES	-	-	138.2	127.8
ASSOCIATED COMPANIES	378.6	380.0	191.0	192.9
JOINT VENTURE COMPANIES	156.7	162.0	61.9	61.9
CURRENT ASSETS				
Trade debtors	86.5	87.5	69.2	60.5
Prepayments and other debtors	19.3	14.7	10.3	7.6
Immediate holding company	45.7	78.9	44.4	77.1
Amount owing by related parties	44.4	48.8	50.8	49.6
Inventories	35.5	37.3	25.4	27.0
Work-in-progress	181.3	110.5	170.3	106.9
Short-term deposits	374.5	531.2	356.4	518.1
Cash and bank balances	75.1	70.5	46.9	40.4
	862.3	979.4	773.7	887.2
Less:				
CURRENT LIABILITIES				
Trade and other creditors	227.6	250.4	184.3	211.2
Amount owing to related parties	0.7	9.2	20.8	26.2
Bank loans	6.7	4.0	-	-
Tax payable	15.9	15.7	14.6	13.8
	250.9	279.3	219.7	251.2
NET CURRENT ASSETS	611.4	700.1	554.0	636.0
	1,529.9	1,639.0	1,208.9	1,294.9

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

Amount repayable in one year or less, or on demand

As at 31 Dec 2017		As at 31 Mar 2017	
Secured	Unsecured	Secured	Unsecured
-	6.7	-	4.0

Amount repayable after one year

As at 31 Dec 2017		As at 31 Mar 2017	
Secured	Unsecured	Secured	Unsecured
-	18.5	-	21.9

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 THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017 (IN \$ MILLION)**

	The Group		The Group	
	3 rd Quarter 2017-18	3 rd Quarter 2016-17	9 Months 2017-18	9 Months 2016-17
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation	60.3	59.9	144.5	303.3
Adjustments for:				
Depreciation	12.7	12.1	37.5	35.3
Amortisation of intangibles	1.4	1.3	4.1	3.5
Share-based compensation expense	0.8	0.8	1.5	2.0
(Surplus)/Loss on disposal of property, plant and equipment	(0.4)	*	(0.9)	0.1
Surplus on partial disposal of an associated company	-	(2.3)	-	(2.3)
Surplus on disposal of non-current asset held for sale	-	-	-	(141.6)
Interest income	(1.1)	(1.0)	(3.6)	(2.9)
Interest on external borrowings	0.2	0.2	0.6	0.5
Share of profits of associated and joint venture companies, net of tax	(40.8)	(31.6)	(84.8)	(69.5)
Exchange differences	1.7	(4.8)	4.5	(9.8)
Dividend received from non-current asset held for sale	-	-	-	(39.5)
Operating profit before working capital changes	34.8	34.6	103.4	79.1
(Increase)/Decrease in debtors	(17.1)	6.6	(8.5)	2.2
(Increase)/Decrease in inventories and work-in-progress	(8.3)	10.6	(69.1)	3.2
(Decrease)/Increase in creditors	(5.5)	5.1	(22.4)	23.0
Decrease/(Increase) in amounts owing by immediate holding company	11.7	(8.2)	32.8	(30.5)
Decrease/(Increase) in amounts owing by related parties	3.2	17.9	(4.2)	33.3
Cash generated from operations	18.8	66.6	32.0	110.3
Income taxes paid	(6.2)	(6.6)	(16.1)	(16.9)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12.6	60.0	15.9	93.4

* Amount less than \$0.1M

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017 (IN \$ MILLION)**

	The Group		The Group	
	3 rd Quarter 2017-18	3 rd Quarter 2016-17	9 Months 2017-18	9 Months 2016-17
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure	(7.9)	(10.4)	(26.2)	(27.3)
Purchase of intangible assets	(2.4)	(1.8)	(9.3)	(3.7)
Proceeds from disposal of property, plant and equipment	1.4	0.6	3.3	0.8
Proceeds from capital reduction of an associated company	3.3	-	3.3	-
Proceeds from partial disposal of an associated company	-	3.8	-	3.8
Proceeds from disposal of non-current asset held for sale	-	-	-	156.6
Interest received from deposits	0.8	0.9	3.9	2.7
Investments in an associated company	(2.0)	-	(2.0)	-
Dividends received from associated and joint venture companies	26.3	15.6	73.1	38.9
Dividend received from non-current asset held for sale	-	-	-	39.5
NET CASH PROVIDED BY INVESTING ACTIVITIES	19.5	8.7	46.1	211.3
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from exercise of share options	-	*	1.0	11.6
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests	1.7	4.4	1.7	8.2
Proceeds from borrowings	-	-	3.3	1.8
Repayment of borrowings	(1.3)	(4.6)	(2.9)	(7.6)
Interest paid	(0.2)	(0.2)	(0.6)	(0.5)
Dividends paid	(44.7)	(44.9)	(201.5)	(135.2)
Dividends paid by subsidiary companies to non-controlling interests	(0.5)	-	(2.7)	(3.7)
Purchase of treasury shares	(3.6)	(8.0)	(9.8)	(17.8)
NET CASH USED IN FINANCING ACTIVITIES	(48.6)	(53.3)	(211.5)	(143.2)
NET CASH (OUTFLOW)/INFLOW	(16.5)	15.4	(149.5)	161.5
CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD	467.2	539.8	601.7	393.9
Effect of exchange rate changes	(1.1)	5.0	(2.6)	4.8
CASH AND CASH EQUIVALENTS AT END PERIOD	449.6	560.2	449.6	560.2
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Short-term deposits	374.5	479.6	374.5	479.6
Cash and bank balances	75.1	80.6	75.1	80.6
CASH AND CASH EQUIVALENTS AT END PERIOD	449.6	560.2	449.6	560.2

* Amount less than \$0.1M

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 THIRD QUARTER ENDED 31 DECEMBER 2017 (IN \$ MILLION)**

The Group	Attributable to Owners of the Parent									Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total		
Balance at 1 October 2017	420.0	(17.4)	2.8	5.6	(85.5)	2.3	(2.4)	1,127.1	1,452.5	31.3	1,483.8
Profit for the period	-	-	-	-	-	-	-	54.8	54.8	0.3	55.1
Actuarial gain on remeasurement of defined benefit plan	-	-	-	-	-	-	-	*	*	*	*
Foreign currency translation	-	-	-	-	(8.7)	-	-	-	(8.7)	(0.4)	(9.1)
Net fair value adjustment on cash flow hedges	-	-	-	-	-	(0.5)	-	-	(0.5)	-	(0.5)
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	*	1.1	-	-	1.1	-	1.1
Other comprehensive income, net of tax	-	-	-	-	(8.7)	0.6	-	*	(8.1)	(0.4)	(8.5)
Total comprehensive income for the period	-	-	-	-	(8.7)	0.6	-	54.8	46.7	(0.1)	46.6
Capital contribution	-	-	-	-	-	-	-	-	-	1.7	1.7
Share-based compensation expense	-	-	-	0.8	-	-	-	-	0.8	-	0.8
Share options lapsed	-	-	-	*	-	-	-	*	-	-	-
Purchase of treasury shares	-	(3.6)	-	-	-	-	-	-	(3.6)	-	(3.6)
Dividends	-	-	-	-	-	-	-	(44.7)	(44.7)	(0.6)	(45.3)
Total contributions by and distributions to owners	-	(3.6)	-	0.8	-	-	-	(44.7)	(47.5)	1.1	(46.4)
Balance at 31 December 2017	420.0	(21.0)	2.8	6.4	(94.2)	2.9	(2.4)	1,137.2	1,451.7	32.3	1,484.0

* Amount less than \$0.1M

**STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

The Group	Attributable to Owners of the Parent									Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total		
Balance at 1 October 2016											
As previously reported	420.0	(5.1)	2.7	14.1	(81.5)	(1.5)	(2.4)	1,150.0	1,496.3	29.0	1,525.3
Effects of adopting FRS109	-	-	-	-	-	-	-	*	*	-	*
As restated	420.0	(5.1)	2.7	14.1	(81.5)	(1.5)	(2.4)	1,150.0	1,496.3	29.0	1,525.3
Profit for the period	-	-	-	-	-	-	-	52.6	52.6	1.0	53.6
Actuarial gain on remeasurement of defined benefit plan	-	-	-	-	-	-	-	*	*	*	*
Foreign currency translation	-	-	-	-	34.3	-	-	-	34.3	1.5	35.8
Realisation of foreign currency translation reserve on partial disposal of an associated company	-	-	-	-	*	-	-	-	*	-	*
Net fair value adjustment on cash flow hedges	-	-	-	-	-	(1.6)	-	-	(1.6)	-	(1.6)
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	*	(4.1)	-	-	(4.1)	-	(4.1)
Other comprehensive income, net of tax	-	-	-	-	34.3	(5.7)	-	*	28.6	1.5	30.1
Total comprehensive income for the period	-	-	-	-	34.3	(5.7)	-	52.6	81.2	2.5	83.7
Capital contribution	-	-	-	-	-	-	-	-	-	4.4	4.4
Share-based compensation expense	-	-	-	0.8	-	-	-	-	0.8	-	0.8
Share options lapsed	-	-	-	(0.1)	-	-	-	0.1	-	-	-
Purchase of treasury shares	-	(8.0)	-	-	-	-	-	-	(8.0)	-	(8.0)
Treasury shares reissued pursuant to equity compensation plans	-	*	*	*	-	-	-	-	*	-	*
Dividends	-	-	-	-	-	-	-	(44.9)	(44.9)	-	(44.9)
Total contributions by and distributions to owners	-	(8.0)	*	0.7	-	-	-	(44.8)	(52.1)	4.4	(47.7)
Balance at 31 December 2016	420.0	(13.1)	2.7	14.8	(47.2)	(7.2)	(2.4)	1,157.8	1,525.4	35.9	1,561.3

* Amount less than \$0.1M

**STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017 (IN \$ MILLION)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 October 2017	420.0	(17.4)	2.8	5.6	0.2	778.8	1,190.0
Profit for the period	-	-	-	-	-	41.3	41.3
Other comprehensive income, net of tax:							
Net fair value adjustment on cash flow hedges	-	-	-	-	(0.5)	-	(0.5)
Other comprehensive income, net of tax	-	-	-	-	(0.5)	-	(0.5)
Total comprehensive income for the period	-	-	-	-	(0.5)	41.3	40.8
Share-based compensation expense	-	-	-	0.8	-	-	0.8
Share options lapsed	-	-	-	*	-	*	-
Purchase of treasury shares	-	(3.6)	-	-	-	-	(3.6)
Dividends	-	-	-	-	-	(44.7)	(44.7)
Total contributions by and distributions to owners	-	(3.6)	-	0.8	-	(44.7)	(47.5)
Balance at 31 December 2017	420.0	(21.0)	2.8	6.4	(0.3)	775.4	1,183.3

**STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016 (IN \$ MILLION)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 October 2016							
As previously reported	420.0	(5.1)	2.7	14.1	0.3	809.6	1,241.6
Effects of adopting FRS 109	-	-	-	-	-	0.5	0.5
As restated	420.0	(5.1)	2.7	14.1	0.3	810.1	1,242.1
Profit for the period	-	-	-	-	-	38.1	38.1
Other comprehensive income, net of tax: Net fair value adjustment on cash flow hedges	-	-	-	-	(1.6)	-	(1.6)
Total comprehensive income for the period	-	-	-	-	(1.6)	38.1	36.5
Share-based compensation expense	-	-	-	0.8	-	-	0.8
Share options lapsed	-	-	-	(0.1)	-	0.1	-
Purchase of treasury shares	-	(8.0)	-	-	-	-	(8.0)
Treasury shares reissued pursuant to equity compensation plans	-	*	*	*	-	-	*
Dividends	-	-	-	-	-	(44.9)	(44.9)
Total contributions by and distributions to owners	-	(8.0)	*	0.7	-	(44.8)	(52.1)
Balance at 31 December 2016	420.0	(13.1)	2.7	14.8	(1.3)	803.4	1,226.5

* 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

During the period October to December 2017, there was no issuance of new ordinary shares.

Group and Company	Number of Shares	Share Capital (\$ Million)
Issued and fully paid share capital <u>Ordinary Shares</u> Balance at 1 October 2017 and 31 December 2017	1,124,116,360	420.0

As at 31 December 2017, the Company has an issued share capital of 1,124,116,360 ordinary shares (31 December 2016: 1,124,116,360 ordinary shares) of which 5,818,957 were held by the Company as treasury shares (31 December 2016: 3,623,352). The treasury shares held represents 0.52% (31 December 2016: 0.32%) of the total number of issued shares (excluding treasury shares).

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

(B) Employee Share Option Plan

(i) During the period 1 October 2017 to 31 December 2017, no options (1 October 2016 to 31 December 2016: 4,400 options) were exercised under the Employee Share Option Plan.

- (ii) The movement of share options of the Company during the third quarter from 1 October 2017 to 31 December 2017 is as follows:

Date of grant	Balance at 01.10.2017	Cancelled	Exercised	Balance at 31.12.2017	Exercise price*	Exercisable period
01.07.2008	4,167,200	(16,400)	-	4,150,800	\$3.54	01.07.2010-30.06.2018

* 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 \$0.10 on 22 July 2011, \$0.05 on 21 July 2014, and \$0.05 on 20 July 2017, the said Committee approved a reduction in the exercise prices of all share options outstanding by \$0.10 on 29 July 2011, \$0.05 on 7 August 2014, and a further \$0.05 on 3 August 2017. The exercise price reflected here is the exercise price after such adjustments.

- (iii) As at 31 December 2017, the number of share options of the Company outstanding was 4,150,800 (31 December 2016: 12,896,140).

(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 December 2017 the number of outstanding shares granted under the Company's RSP and PSP were 1,697,066 (31 December 2016: 1,629,386) and 385,187 (31 December 2016: 324,447) respectively. The movement of these share awards during the quarter from 1 October 2017 to 31 December 2017 is as follows:

RSP

Date of grant	Balance at 01.10.2017	Adjustment *	Cancelled	Released	Balance at 31.12.2017
07.07.2014	47,286	-	-	-	47,286
06.07.2015	365,533	-	-	-	365,533
07.07.2016	426,206	-	-	-	426,206
07.07.2017	858,041	-	-	-	858,041
Total	1,697,066	-	-	-	1,697,066

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

PSP

Date of grant	Balance at 01.10.2017	Adjustment #	Cancelled	Released	Balance at 31.12.2017
06.07.2015	62,856	-	-	-	62,856
07.07.2016	129,044	-	-	-	129,044
07.07.2017	193,287	-	-	-	193,287
Total	385,187	-	-	-	385,187

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

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2017, the Company has an issued share capital of 1,118,297,403 ordinary shares (31 March 2017: 1,119,926,708) excluding 5,818,957 ordinary shares (31 March 2017: 4,189,652) 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 period 1 October 2017 to 31 December 2017, the Company purchased 1,111,800 treasury shares (1 October 2016 to 31 December 2016: 2,267,500). The Company did not transfer any treasury shares to employees on exercise of share options nor on vesting of share-based incentive plans (1 October 2016 to 31 December 2016: 4,400 on exercise of share options and nil on vesting of share-based incentive plans).

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 October 2017	4,707,157	17.4
Purchase of treasury shares	1,111,800	3.6
Treasury shares transferred on exercise of share options	-	-
Treasury shares transferred on vesting of share-based incentive plans	-	-
Balance at 31 December 2017	5,818,957	21.0

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

The Company has no subsidiary holdings as at 31 December 2017 and 31 December 2016. There was no sales, transfers, cancellation and/or use of subsidiary holdings for the period 1 October to 31 December 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 not been audited nor reviewed by the auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to the audited financial statements as at 31 March 2017 except for the adoption of the Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2017. The adoption of these FRS and INT FRS has no significant impact to 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	
	3 rd Quarter 2017-18	3 rd Quarter 2016-17	9 Months 2017-18	9 Months 2016-17
Earnings per share (cents)				
- Basic *	4.90	4.69	11.54	25.53
- Diluted #	4.89	4.68	11.52	25.48

* Based on the weighted average number of ordinary shares in issue excluding treasury shares.

Based on the weighted average number of ordinary shares in issue excluding treasury shares, after adjusting for the dilutive effect of options.

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

	Group		Company	
	As at 31 Dec 17	As at 31 Mar 17	As at 31 Dec 17	As at 31 Mar 17
Net asset value per share (cents)	129.8	138.8	105.8	113.3

- 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

Third Quarter FY2017-18

The Group posted a profit attributable to owners of the parent of \$54.8 million for the third quarter of FY2017-18, an increase of \$2.2 million or 4.2% year on year.

Revenue of \$271.0 million was lower by \$1.3 million or 0.5%, with the decrease in fleet management revenue partially mitigated by an increase in line maintenance revenue. Expenditure at \$252.8 million was \$5.7 million or 2.3% higher, mainly due to an exchange loss of \$1.7 million incurred against an exchange gain of \$4.8 million in the corresponding quarter last year, partially mitigated by a decrease in subcontract services. The resulting operating profit of \$18.2 million was \$7.0 million or 27.8% lower.

Share of profits of associated and joint venture companies grew \$9.2 million or 29.1%. Contributions from the repair and overhaul centres increased \$9.1 million or 29.6% to \$39.8 million, while share of profits from the line maintenance segment was comparable to the same period last year.

Basic earnings per share was 4.90 cents for the current quarter.

Year-to-date (April – December 2017)

The Group recorded a profit attributable to owners of the parent of \$129.1 million for the nine months ended 31 December 2017. Profit in the same period last year included a gain from the divestment of the Group's 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"). Excluding the impact of the divestment, profit for the current period of \$129.1 million was \$3.0M or 2.4% higher. After including the impact of the divestment, profit for the current period was lower by \$157.4 million or 54.9% compared to the corresponding period last year.

Revenue increased by \$9.8 million or 1.2% to \$818.5 million with higher line maintenance revenue, partially offset by lower fleet management revenue.

Expenditure at \$762.7 million was \$2.1 million or 0.3% higher, mainly due to an exchange loss of \$4.5 million incurred against an exchange gain of \$9.8 million in the same period last year, offset in part by lower staff costs. The decrease in staff costs was primarily due to the absence of the provision made for the profit-linked component of staff remuneration arising from the gain on divestment last year, offset by annual salary increments and increase in headcount at subsidiaries. Operating profit of \$55.8 million was \$7.7 million or 16.0% higher. Excluding the profit-linked component of staff remuneration arising from the gain on divestment last year, operating profit was lower by \$13.6 million or 19.6%.

Share of profits of associated and joint venture companies was \$84.8 million, \$15.3 million or 22.0% higher than the corresponding period last year. Contributions from the repair and overhaul centres amounted to \$82.1 million, an increase of \$15.1 million or 22.5%, while share of profits from the line maintenance segment was comparable to the same period last year.

Basic earnings per share was 11.54 cents for the nine months ended 31 December 2017.

GROUP FINANCIAL POSITION

As at 31 December 2017, equity attributable to owners of the parent of \$1,451.7 million was \$102.3 million or 6.6% lower than at 31 March 2017, mainly due to payment of the final and interim dividends for FY2016-17 and FY2017-18 respectively and higher foreign currency translation losses as a result of the weakening of the US dollar against the Singapore dollar, partially offset by profits earned for the period. The Group's cash balance decreased \$152.1 million or 25.3% to \$449.6 million, mainly due to dividends paid, offset in part by dividends received from associated and joint venture companies. Total assets amounted to \$1,780.8 million.

Net asset value per share as at 31 December 2017 was 129.8 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

The operating environment remains challenging with intense competition in the region and lighter maintenance arising from technological advancements of the new-generation aircraft.

To overcome the challenges, the Company has been investing in innovation and technology to improve our capabilities and sharpen our competitive edge. We have developed a roadmap to review all our business processes, organisation structure and services to identify transformative initiatives to better serve our customers and improve our performance.

We continue to engage with our joint venture partners, and seek new partnerships, to seize opportunities that come with the disruptions in the MRO industry.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the quarter ended 31 December 2017.

13. Interested Person Transactions

(In \$ Million)

The aggregate value of all Interested Person Transactions ("IPTs") entered into during the third quarter of Financial Year 2017-18 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 - Scoot Tigerair Pte Ltd	-	80.2
SATS Ltd - SATS Security Services Pte Ltd	-	25.4
Total	-	105.6

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (namely, its Chief Executive Officer, Executive Vice-President and Chief Financial Officer) in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

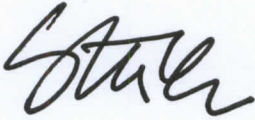
Lu Ling Ling
Company Secretary
2 February 2018

Singapore Co. Regn. No.: 198201025C

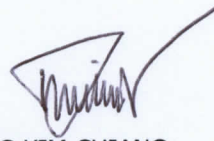
CONFIRMATION BY THE BOARD

We, Stephen Lee Ching Yen and Png Kim Chiang, being two directors of SIA Engineering Company Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the third quarter and nine months FY2017/18 financial results to be false or misleading in any material respect.

On behalf of the Board,



STEPHEN LEE CHING YEN
Chairman



PNG KIM CHIANG
Chief Executive Officer

2 February 2018