

**UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2016**

**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 FIRST QUARTER ENDED 30 JUNE 2016 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2016-17</b>	<b>1st Quarter 2015-16</b>
<b>REVENUE</b>	<b>271.6</b>	<b>277.3</b>
<b>EXPENDITURE</b>		
Staff costs	141.9 <sup>R1</sup>	119.0
Material costs	46.1	48.0
Depreciation	11.3	10.3
Amortisation of intangibles	0.9	0.4
Company accommodation	12.6	12.3
Subcontract costs	34.8	39.8
Other operating expenses	25.6	26.6
	<u>273.2</u>	<u>256.4</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>(1.6) <sup>R1</sup></b>	<b>20.9</b>
Interest income	0.9	0.4
Interest on external borrowings	(0.1)	(0.1)
Surplus on disposal of property, plant and equipment	0.1	*
Surplus on disposal of non-current asset held for sale	141.6	-
Dividend from non-current asset held for sale	39.5	1.7
Share of profits of associated companies, net of tax	13.3	14.5
Share of profits of joint venture companies, net of tax	7.4	9.5
<b>PROFIT BEFORE TAXATION</b>	<b>201.1</b>	<b>46.9</b>
Taxation expense	(1.3)	(5.2)
<b>PROFIT FOR THE PERIOD</b>	<b>199.8</b>	<b>41.7</b>
<b>PROFIT ATTRIBUTABLE TO: OWNERS OF THE PARENT</b>	<b>198.4</b>	<b>41.3</b>
Non-controlling interests	1.4	0.4
	<u>199.8</u>	<u>41.7</u>
BASIC EARNINGS PER SHARE (CENTS)	17.67	3.68
DILUTED EARNINGS PER SHARE (CENTS)	17.63	3.67

\* Amount less than \$0.1M

Note:

R1: The staff costs of \$141.9M in Q1 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 quarter was \$19.7M. After taking into account this one-time impact, the Group showed an operating loss of \$1.6M in Q1 FY2016-17.

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

	<b>The Group</b>	
	<b>1st Quarter 2016-17</b>	<b>1st Quarter 2015-16</b>
	<b>\$M</b>	<b>\$M</b>
Provision for impairment of trade debtors, net	0.3	0.9
Exchange (gain)/loss, net	(1.2)	4.6
Overprovision of tax in respect of prior year	*	*
Provision for stock obsolescence, net	1.5	1.0

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

#### **STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2016 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2016-17</b>	<b>1st Quarter 2015-16</b>
<b>PROFIT FOR THE PERIOD</b>	<b>199.8</b>	<b>41.7</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<u>Items that will not be reclassified to profit or loss:</u>		
Actuarial loss on remeasurement of defined benefit plan	*	*
	*	*
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation	(0.8)	(12.8)
Net fair value adjustment on cash flow hedges	0.2	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	0.8	3.4
	(141.7)	(6.9)
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>(141.7)</b>	<b>(6.9)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>58.1</b>	<b>34.8</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
<b>OWNERS OF THE PARENT</b>	57.1	35.0
Non-controlling interests	1.0	(0.2)
	<b>58.1</b>	<b>34.8</b>

\* Amount less than \$0.1M

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 JUNE 2016 (IN \$ MILLION)**

	<b>The Company</b>	
	<b>1st Quarter 2016-17</b>	<b>1st Quarter 2015-16</b>
<b>PROFIT FOR THE PERIOD</b>	<b>188.1</b>	<b>29.8</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Net fair value adjustment on cash flow hedges	0.2	2.5
Realisation of fair value changes on non-current asset held for sale	(141.9)	-
Other comprehensive income, net of tax	(141.7)	2.5
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>46.4</b>	<b>32.3</b>

**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 30 JUNE 2016 (IN \$ MILLION)**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 Jun 2016</b>	<b>31 Mar 2016</b>	<b>30 Jun 2016</b>	<b>31 Mar 2016</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				
Share capital	419.1	416.5	419.1	416.5
Treasury shares	(0.6)	(6.1)	(0.6)	(6.1)
Capital reserve	2.6	0.2	2.6	0.2
Share-based compensation reserve	14.7	18.4	14.7	18.4
Foreign currency translation reserve	(88.3)	(87.9)	-	-
Fair value reserve	(0.2)	140.7	1.4	143.1
Equity transaction reserve	(2.4)	(2.4)	-	-
General reserve	1,204.5	1,006.1	861.2	673.1
	1,549.4	1,485.5	1,298.4	1,245.2
<b>NON-CONTROLLING INTERESTS</b>	27.2	26.4	-	-
<b>TOTAL EQUITY</b>	1,576.6	1,511.9	1,298.4	1,245.2
<b>NON-CURRENT LIABILITIES</b>				
Deferred taxation	29.4	29.5	26.7	27.2
Long-term bank loan	24.5	24.5	-	-
	53.9	54.0	26.7	27.2
	<b>1,630.5</b>	<b>1,565.9</b>	<b>1,325.1</b>	<b>1,272.4</b>
Represented by :				
<b>PROPERTY, PLANT AND EQUIPMENT</b>	337.1	340.9	277.6	280.9
<b>INTANGIBLES</b>	63.8	63.4	5.1	4.7
<b>SUBSIDIARY COMPANIES</b>	-	-	113.8	109.1
<b>ASSOCIATED COMPANIES</b>	354.7	344.0	193.1	193.1
<b>JOINT VENTURE COMPANIES</b>	148.5	147.5	56.6	56.6
<b>LONG-TERM INVESTMENTS</b>	-	*	-	*
<b>CURRENT ASSETS</b>				
Trade debtors	70.2	76.8	45.2	52.4
Prepayments and other debtors	17.9	14.2	12.6	10.8
Immediate holding company	67.0	61.7	65.6	60.3
Amount owing by related parties	56.5	68.1	53.8	66.4
Inventories	40.0	40.7	31.2	31.4
Work-in-progress	117.0	114.4	114.5	112.8
Short-term deposits	373.4	317.1	368.0	311.7
Cash and bank balances	277.2	76.8	248.0	58.1
	1,019.2	769.8	938.9	703.9
Non-current asset held for sale	-	156.5	-	156.5
	1,019.2	926.3	938.9	860.4
Less:				
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	257.4	227.6	224.3	197.3
Amount owing to related parties	4.9	1.8	19.4	19.9
Bank loans	10.6	8.8	-	-
Tax payable	19.9	18.0	16.3	15.2
	292.8	256.2	260.0	232.4
<b>NET CURRENT ASSETS</b>	726.4	670.1	678.9	628.0
	<b>1,630.5</b>	<b>1,565.9</b>	<b>1,325.1</b>	<b>1,272.4</b>

\*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**

<b>As at 30 Jun 2016</b>		<b>As at 31 Mar 2016</b>	
Secured	Unsecured	Secured	Unsecured
-	10.6	-	8.8

**Amount repayable after one year**

<b>As at 30 Jun 2016</b>		<b>As at 31 Mar 2016</b>	
Secured	Unsecured	Secured	Unsecured
-	24.5	-	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 FIRST QUARTER ENDED 30 JUNE 2016 (IN \$ MILLION)**

<b>The Group</b>	
<b>1st Quarter 2016-17</b>	<b>1st Quarter 2015-16</b>

**CASH FLOW FROM OPERATING ACTIVITIES**

Profit before taxation	201.1	46.9
Adjustments for:		
Depreciation	11.3	10.3
Amortisation of intangibles	0.9	0.4
Share-based compensation expense	0.4	0.7
Surplus on disposal of property, plant and equipment	(0.1)	*
Surplus on disposal of non-current asset held for sale	(141.6)	-
Interest income	(0.9)	(0.4)
Interest on external borrowings	0.1	0.1
Share of profits of associated and joint venture companies, net of tax	(20.7)	(24.0)
Exchange differences	(1.2)	4.6
Dividend received from non-current asset held for sale	(39.5)	(1.7)
<b>Operating profit before working capital changes</b>	<b>9.8</b>	<b>36.9</b>
Decrease/(Increase) in debtors	4.4	(3.4)
Increase in inventories and work-in-progress	(1.9)	(1.6)
Increase in creditors	29.3	14.2
Increase in amounts owing by immediate holding company	(5.4)	(18.7)
Decrease/(Increase) in amounts owing by related parties, net	14.7	(9.2)
<b>Cash generated from operations</b>	<b>50.9</b>	<b>18.2</b>
Income taxes discharged/(paid)	0.5	*
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>51.4</b>	<b>18.2</b>

**CASH FLOW FROM INVESTING ACTIVITIES**

Capital expenditure	(7.7)	(8.5)
Purchase of intangible assets	(1.5)	(2.2)
Proceeds from disposal of property, plant and equipment	0.3	0.1
Proceeds from disposal of non-current asset held for sale	156.6	-
Interest received from deposits	1.0	0.5
Dividends received from associated and joint venture companies	9.9	11.7
Dividend received from non-current asset held for sale	39.5	1.7
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>198.1</b>	<b>3.3</b>

\* Amount less than \$0.1M

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2016 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2016-17</b>	<b>1st Quarter 2015-16</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of share options	11.1	3.3
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests	1.4	-
Proceeds from borrowings	1.8	1.2
Interest paid	(0.1)	*
Dividends paid by a subsidiary company to non-controlling interests	(1.6)	(0.7)
Purchase of treasury shares	(4.7)	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>7.9</b>	<b>3.8</b>
<b>NET CASH INFLOW</b>	<b>257.4</b>	<b>25.3</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD</b>	<b>393.9</b>	<b>463.7</b>
Effect of exchange rate changes	(0.7)	(0.9)
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>650.6</b>	<b>488.1</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short-term deposits	373.4	426.1
Cash and bank balances	277.2	62.0
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>650.6</b>	<b>488.1</b>

\* 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 FIRST QUARTER ENDED 30 JUNE 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		
<b>Balance at 1 April 2016</b>	<b>416.5</b>	<b>(6.1)</b>	<b>0.2</b>	<b>18.4</b>	<b>(87.9)</b>	<b>140.7</b>	<b>(2.4)</b>	<b>1,006.1</b>	<b>1,485.5</b>	<b>26.4</b>	<b>1,511.9</b>
Profit for the period	-	-	-	-	-	-	-	198.4	198.4	1.4	199.8
Actuarial loss on remeasurement of defined benefit plan	-	-	-	-	-	-	-	*	*	*	*
Foreign currency translation	-	-	-	-	(0.4)	-	-	-	(0.4)	(0.4)	(0.8)
Net fair value adjustment on cash flow hedges	-	-	-	-	-	0.2	-	-	0.2	-	0.2
Realisation of fair value changes on non-current asset held for sale	-	-	-	-	-	(141.9)	-	-	(141.9)	-	(141.9)
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	*	0.8	-	-	0.8	-	0.8
Other comprehensive income, net of tax	-	-	-	-	(0.4)	(140.9)	-	*	(141.3)	(0.4)	(141.7)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.4)</b>	<b>(140.9)</b>	<b>-</b>	<b>198.4</b>	<b>57.1</b>	<b>1.0</b>	<b>58.1</b>
Capital contribution	-	-	-	-	-	-	-	-	-	1.4	1.4
Share-based compensation expense	-	-	-	0.4	-	-	-	-	0.4	-	0.4
Share options exercised	2.6	-	-	(0.7)	-	-	-	-	1.9	-	1.9
Share options lapsed	-	-	-	*	-	-	-	*	-	-	-
Purchase of treasury shares	-	(4.7)	-	-	-	-	-	-	(4.7)	-	(4.7)
Treasury shares reissued pursuant to equity compensation plans	-	10.2	2.4	(3.4)	-	-	-	-	9.2	-	9.2
Dividends	-	-	-	-	-	-	-	-	-	(1.6)	(1.6)
<b>Total contributions by and distributions to owners</b>	<b>2.6</b>	<b>5.5</b>	<b>2.4</b>	<b>(3.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>6.8</b>	<b>(0.2)</b>	<b>6.6</b>
<b>Balance at 30 June 2016</b>	<b>419.1</b>	<b>(0.6)</b>	<b>2.6</b>	<b>14.7</b>	<b>(88.3)</b>	<b>(0.2)</b>	<b>(2.4)</b>	<b>1,204.5</b>	<b>1,549.4</b>	<b>27.2</b>	<b>1,576.6</b>

\* Amount less than \$0.1M



**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2015 (IN \$ MILLION)**

The Group	Attributable to Owners of the Parent							Non-controlling interests	Total equity
	Share capital	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total		
<b>Balance at 1 April 2015</b>	<b>410.7</b>	<b>20.2</b>	<b>(81.7)</b>	<b>(14.2)</b>	<b>(2.4)</b>	<b>992.3</b>	<b>1,324.9</b>	<b>24.7</b>	<b>1,349.6</b>
Profit for the period	-	-	-	-	-	41.3	41.3	0.4	41.7
Actuarial loss on remeasurement of defined benefit plan	-	-	-	-	-	*	*	*	*
Foreign currency translation	-	-	(12.2)	-	-	-	(12.2)	(0.6)	(12.8)
Net fair value adjustment on cash flow hedges	-	-	-	2.5	-	-	2.5	-	2.5
Share of other comprehensive income of associated/joint venture companies	-	-	*	3.4	-	-	3.4	-	3.4
Other comprehensive income, net of tax	-	-	(12.2)	5.9	-	*	(6.3)	(0.6)	(6.9)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(12.2)</b>	<b>5.9</b>	<b>-</b>	<b>41.3</b>	<b>35.0</b>	<b>(0.2)</b>	<b>34.8</b>
Share-based compensation expense	-	0.7	-	-	-	-	0.7	-	0.7
Share options exercised	4.3	(1.0)	-	-	-	-	3.3	-	3.3
Share options lapsed	-	*	-	-	-	*	-	-	-
Dividends	-	-	-	-	-	-	-	(0.7)	(0.7)
<b>Total contributions by and distributions to owners</b>	<b>4.3</b>	<b>(0.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>4.0</b>	<b>(0.7)</b>	<b>3.3</b>
<b>Balance at 30 June 2015</b>	<b>415.0</b>	<b>19.9</b>	<b>(93.9)</b>	<b>(8.3)</b>	<b>(2.4)</b>	<b>1,033.6</b>	<b>1,363.9</b>	<b>23.8</b>	<b>1,387.7</b>

\* Amount less than \$0.1M

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2016 (IN \$ MILLION)**

<b>The Company</b>	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
<b>Balance at 1 April 2016</b>	<b>416.5</b>	<b>(6.1)</b>	<b>0.2</b>	<b>18.4</b>	<b>143.1</b>	<b>673.1</b>	<b>1,245.2</b>
Profit for the period	-	-	-	-	-	188.1	188.1
Other comprehensive income, net of tax:							
Net fair value adjustment on cash flow hedges	-	-	-	-	0.2	-	0.2
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	-	-	-	-	(141.7)	-	(141.7)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(141.7)</b>	<b>188.1</b>	<b>46.4</b>
Share-based compensation expense	-	-	-	0.4	-	-	0.4
Share options exercised	2.6	-	-	(0.7)	-	-	1.9
Share options lapsed	-	-	-	*	-	*	-
Purchase of treasury shares	-	(4.7)	-	-	-	-	(4.7)
Treasury shares reissued pursuant to equity compensation plans	-	10.2	2.4	(3.4)	-	-	9.2
<b>Total contributions by and distributions to owners</b>	<b>2.6</b>	<b>5.5</b>	<b>2.4</b>	<b>(3.7)</b>	<b>-</b>	<b>*</b>	<b>6.8</b>
<b>Balance at 30 June 2016</b>	<b>419.1</b>	<b>(0.6)</b>	<b>2.6</b>	<b>14.7</b>	<b>1.4</b>	<b>861.2</b>	<b>1,298.4</b>

\* Amount less than \$0.1M

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2015 (IN \$ MILLION)**

<b>The Company</b>	Share capital	Share-based compensation reserve	Fair value reserve	General reserve	Total
<b>Balance at 1 April 2015</b>	<b>410.7</b>	<b>20.2</b>	<b>(5.3)</b>	<b>674.7</b>	<b>1,100.3</b>
Profit for the period	-	-	-	29.8	29.8
Other comprehensive income, net of tax:					
Net fair value adjustment on cash flow hedges	-	-	2.5	-	2.5
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2.5</b>	<b>29.8</b>	<b>32.3</b>
Share-based compensation expense	-	0.7	-	-	0.7
Share options exercised	4.3	(1.0)	-	-	3.3
Share options lapsed	-	*	-	*	-
<b>Total contributions by and distributions to owners</b>	<b>4.3</b>	<b>(0.3)</b>	<b>-</b>	<b>*</b>	<b>4.0</b>
<b>Balance at 30 June 2015</b>	<b>415.0</b>	<b>19.9</b>	<b>(2.8)</b>	<b>704.5</b>	<b>1,136.6</b>

\* 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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 30 June 2016, the Company has an issued share capital of 1,123,884,287 ordinary shares (30 June 2015: 1,122,937,509 ordinary shares) of which 173,252 were held by the Company as treasury shares (30 June 2015: nil).

The movement of the Company's issued share capital during the first quarter from 1 April 2016 to 30 June 2016 is as follows:

<b>Group and Company</b>	<b>Number of Shares</b>	<b>Share Capital (\$ Million)</b>
Issued and fully paid share capital <u>Ordinary Shares</u>		
Balance at 1 April 2016	1,123,312,387	416.5
Share options exercised during the period April to June 2016	571,900	2.6
Balance at 30 June 2016	1,123,884,287	419.1

### **(B) Employee Share Option Plan**

(i) During the period 1 April 2016 to 30 June 2016, the Company issued 3,347,348 shares (1 April 2015 to 30 June 2015: 1,496,725), out of which, 2,775,448 shares (1 April 2015 to 30 June 2015: nil) 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 first quarter from 1 April 2016 to 30 June 2016 is as follows:

Date of grant	Balance at 01.04.2016	Cancelled	Exercised	Balance at 30.06.2016	Exercise price*	Exercisable period
03.07.2006	3,613,648	(3,600)	(3,208,948)	401,100	\$3.29	03.07.2007-02.07.2016
02.07.2007	8,567,344	(67,200)	-	8,500,144	\$4.52	02.07.2008-01.07.2017
01.07.2008	4,689,596	(7,200)	(138,400)	4,543,996	\$3.59	01.07.2010-30.06.2018
Total	16,870,588	(78,000)	(3,347,348)	13,445,240		

\* 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 30 June 2016, the number of share options of the Company outstanding was 13,445,240 (30 June 2015: 17,410,788).

### (C) Restricted Share Plan and Performance Share Plan

- (i) In addition to the Employee Share Option Plan ("ESOP"), senior management staff are eligible to participate in two share-based incentive plans, the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP"), which were approved by the shareholders of the Company on 25 July 2005.

The RSP and PSP were originally adopted by shareholders on 25 July 2005 and expired on 24 July 2015. At the Extraordinary General Meeting of the Company held on 21 July 2014, shareholders approved the adoption of the SIAEC RSP 2014 and SIAEC PSP 2014 to replace the previous RSP and PSP, which were terminated following the adoption of the new plans. The termination of the previous RSP and PSP was without prejudice to the rights of holders of awards outstanding under the respective plans as at the date of such termination.

- (ii) Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded could range between 0% to 150% of the initial grant of the restricted shares and between 0% to 200% of the initial grant of the performance shares.

- (iii) As at 30 June 2016 the number of outstanding shares granted under the Company's RSP and PSP were 1,608,396 (30 June 2015: 1,731,122) and 334,642 (30 June 2015: 396,574) respectively. The movement of these share awards during the quarter from 1 April 2016 to 30 June 2016 is as follows:

**RSP**

Date of grant	Balance at 01.04.2016	Adjustment *	Cancelled	Released	Balance at 30.06.2016
02.07.2012	68,638	-	-	-	68,638
08.07.2013	96,934	-	-	-	96,934
07.07.2014	721,044	-	-	-	721,044
06.07.2015	721,780	-	-	-	721,780
Total	1,608,396	-	-	-	1,608,396

\* Adjustment at the end of the two-year performance period upon meeting stated performance targets.

**PSP**

Date of grant	Balance at 01.04.2016	Adjustment #	Cancelled	Released	Balance at 30.06.2016
08.07.2013	137,645	-	-	-	137,645
07.07.2014	134,917	-	-	-	134,917
06.07.2015	62,080	-	-	-	62,080
Total	334,642	-	-	-	334,642

# Adjustment at the end of the three-year performance period upon meeting stated performance targets.

**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 30 June 2016, the Company has an issued share capital of 1,123,711,035 ordinary shares (31 March 2016: 1,121,615,487) excluding 173,252 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 period 1 April 2016 to 30 June 2016, the Company purchased 1,251,800 treasury shares (1 April 2015 to 30 June 2015: nil). The Company transferred 2,775,448 treasury shares to employees on exercise of share options (1 April 2015 to 30 June 2015: nil).

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

<b>Group and Company</b>	<b>Number of Shares</b>	<b>Treasury Shares (\$ Million)</b>
Balance at 1 April 2016	1,696,900	6.1
Purchase of treasury shares	1,251,800	4.7
Treasury shares transferred on exercise of share options	(2,775,448)	(10.2)
Balance at 30 June 2016	173,252	0.6

**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 2016 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 2016. 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.**

	<b>Group</b>	
	<b>1st Quarter 2016-17</b>	<b>1st Quarter 2015-16</b>
Earnings per share (cents)		
- Basic *	17.67	3.68
- Diluted #	17.63	3.67

\* 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, 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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 16</b>	<b>As at 31 Mar 16</b>	<b>As at 30 Jun 16</b>	<b>As at 31 Mar 16</b>
Net asset value per share (cents)	137.9	132.4	115.5	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**

SIAEC Group posted a profit attributable to owners of the parent of \$198.4 million for the quarter ended 30 June 2016, an increase of \$157.1 million. During the 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 HAESL's 20% stake in Singapore Aero Engine Services Limited ("SAESL") to Rolls-Royce Singapore Pte Ltd ("RRS"), bringing the overall gain from the divestment to \$178.0 million.

Revenue decreased by \$5.7 million or 2.1% to \$271.6 million, attributable mainly to a drop in fleet management revenue. This was mitigated in part by higher revenue from line maintenance and airframe and component overhaul.

During the quarter, the Group made a provision for the estimated increase in the profit-linked component of staff remuneration arising from the gain on divestment, based on profitability-related key performance indicators. This was the main reason for the higher staff costs, which rose by \$22.9 million or 19.2%. The increase was partially offset by an exchange gain of \$1.2 million compared to a \$4.6 million exchange loss in the same period last year, as well as lower subcontract services costs. Before the additional provision for staff costs, operating profit for the quarter was \$19.7 million, a decrease of 5.7%. After taking into account the one-time impact on staff costs arising from the divestment, expenditure was \$273.2 million, an increase of \$16.8 million or 6.6%, and the Group showed an operating loss of \$1.6 million for the quarter.

Share of profits of associated and joint venture companies was \$20.7 million, a decrease of \$3.3 million or 13.8% from the corresponding quarter last year.

Basic earnings per share was 17.67 cents for the quarter ended 30 June 2016.

## **GROUP FINANCIAL POSITION**

As at 30 June 2016, equity attributable to owners of the parent increased \$63.9 million or 4.3% to \$1,549.4 million, mainly due to profits earned for the quarter, partially offset by a decrease in fair value reserves with the divestment of the Group's interest in HAESL. Total assets increased by \$101.2 million or 5.6% to \$1,923.3 million, mainly due to a \$256.7 million or 65.2% increase in the Group's cash balance to \$650.6 million with the cash consideration received from the divestment of HAESL, and dividend received from HAESL following the divestment of HAESL's 20% stake in SAESL. The increase was offset by the reduction of the Group's investment in HAESL.

Net asset value per share as at 30 June 2016 was 137.9 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 challenging operating environment is expected to persist, amidst growing global economic uncertainties.

Aided by a strong balance sheet, the Company will continue to invest in capabilities to handle new-generation aircraft, and on innovation initiatives and new technologies to enhance customers' fleet efficiencies and reliability, while generating higher productivity and process improvements.

With ongoing efforts to pursue strategic partnerships, the Group is well-positioned to seize long-term growth opportunities in the region.

**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 30 June 2016.

### 13. Interested Person Transactions

(In \$ Million)

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

Name of Interested Person	<b>Non-Mandated</b> Aggregate value of all IPTs (excluding all mandated transactions pursuant to Rule 920 of the SGX Listing Manual and transactions less than \$100,000)	<b>Mandated</b> 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)
<b>Singapore Airlines Limited Group</b> - Singapore Airlines Limited - Singapore Airlines Cargo Pte Ltd - SilkAir (Singapore) Pte Ltd - Tiger Airways Holdings Group	- - - -	1.6 17.0 0.4 0.9
<b>Temasek Holdings (Private) Limited and Associates</b> - AJI International Pte Ltd	-	11.0
<b>Singapore Technologies Engineering Limited Group</b> - ST Aerospace Supplies Pte Ltd	-	0.1
<b>Total</b>	-	<b>31.0</b>

### 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

Devika Rani Davar  
Company Secretary  
26 July 2016

Singapore Co. Regn. No.: 198201025C

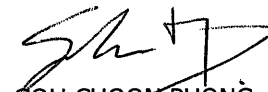
**CONFIRMATION BY THE BOARD**

We, Stephen Lee Ching Yen and Goh Choon Phong, 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 first quarter FY2016-17 financial results to be false or misleading in any material respect.

On behalf of the Board,



STEPHEN LEE CHING YEN  
Chairman



GOH CHOON PHONG  
Director

26 July 2016