

**UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 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 FIRST QUARTER ENDED 30 JUNE 2017 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2017-18</b>	<b>1st Quarter 2016-17</b>
<b>REVENUE</b>	<b>272.8</b>	<b>271.6</b>
<b>EXPENDITURE</b>		
Staff costs	127.7	141.9 <sup>R1</sup>
Material costs	43.0	46.1
Depreciation	12.4	11.3
Amortisation of intangibles	1.4	0.9
Company accommodation	12.8	12.6
Subcontract costs	35.6	34.8
Other operating expenses	21.8	25.6
	<u>254.7</u>	<u>273.2</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>18.1</b>	<b>(1.6)</b>
Interest income	1.3	0.9
Interest on external borrowings	(0.2)	(0.1)
(Loss)/ 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
Share of profits of associated companies, net of tax	16.8	13.3
Share of profits of joint venture companies, net of tax	4.3	7.4
<b>PROFIT BEFORE TAXATION</b>	<b>40.3</b>	<b>201.1</b>
Taxation expense	(4.1)	(1.3)
<b>PROFIT FOR THE PERIOD</b>	<b>36.2</b>	<b>199.8</b>
<b>PROFIT ATTRIBUTABLE TO: OWNERS OF THE PARENT</b>	<b>36.2</b>	<b>198.4</b> <sup>R2</sup>
Non-controlling interests	*	1.4
	<u>36.2</u>	<u>199.8</u>
BASIC EARNINGS PER SHARE (CENTS)	3.24	17.67
DILUTED EARNINGS PER SHARE (CENTS)	3.23	17.63

\* 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.

R2: Profit attributable to owners of the parent of \$198.4M included a gain on divestment of HAESL of \$178.0M and its corresponding impact on staff costs (net of tax adjustments). Before the divestment, profit attributable to owners of the parent was \$38.0M.

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

	<b>The Group</b>	
	<b>1st Quarter 2017-18</b>	<b>1st Quarter 2016-17</b>
	<b>\$M</b>	<b>\$M</b>
Provision for impairment of trade debtors, net	0.8	0.3
Exchange loss/(gain), net	1.8	(1.2)
Overprovision of tax in respect of prior year	*	*
Provision for stock obsolescence, net	0.7	1.5

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

#### **STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2017 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2017-18</b>	<b>1st Quarter 2016-17</b>
<b>PROFIT FOR THE PERIOD</b>	<b>36.2</b>	<b>199.8</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	(9.6)	(0.8)
Net fair value adjustment on cash flow hedges	0.3	0.2
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	2.3	0.8
	(7.0)	(141.7)
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>(7.0)</b>	<b>(141.7)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>29.2</b>	<b>58.1</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
<b>OWNERS OF THE PARENT</b>	29.7	57.1
Non-controlling interests	(0.5)	1.0
	<b>29.2</b>	<b>58.1</b>

\* Amount less than \$0.1M

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017 (IN \$ MILLION)**

	<b>The Company</b>	
	<b>1st Quarter 2017-18</b>	<b>1st Quarter 2016-17</b>
<b>PROFIT FOR THE PERIOD</b>	<b>44.6</b>	<b>188.1</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	0.3	0.2
Realisation of fair value changes on non-current asset held for sale	-	(141.9)
Other comprehensive income, net of tax	0.3	(141.7)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>44.9</b>	<b>46.4</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 2017 (IN \$ MILLION)**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 Jun 2017</b>	<b>31 Mar 2017</b>	<b>30 Jun 2017</b>	<b>31 Mar 2017</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				
Share capital	420.0	420.0	420.0	420.0
Treasury shares	(18.9)	(15.2)	(18.9)	(15.2)
Capital reserve	2.8	2.7	2.8	2.7
Share-based compensation reserve	16.9	16.0	16.9	16.0
Foreign currency translation reserve	(77.1)	(68.0)	-	-
Fair value reserve	2.0	(0.6)	0.7	0.4
Equity transaction reserve	(2.4)	(2.4)	-	-
General reserve	1,237.8	1,201.5	889.4	844.7
	1,581.1	1,554.0	1,310.9	1,268.6
<b>NON-CONTROLLING INTERESTS</b>	32.7	34.0	-	-
<b>TOTAL EQUITY</b>	1,613.8	1,588.0	1,310.9	1,268.6
<b>NON-CURRENT LIABILITIES</b>				
Deferred taxation	28.6	29.1	26.4	26.3
Long-term bank loan	20.7	21.9	-	-
	49.3	51.0	26.4	26.3
	<b>1,663.1</b>	<b>1,639.0</b>	<b>1,337.3</b>	<b>1,294.9</b>
Represented by :				
<b>PROPERTY, PLANT AND EQUIPMENT</b>	329.2	331.6	268.6	270.2
<b>INTANGIBLES</b>	67.5	65.3	7.7	6.1
<b>SUBSIDIARY COMPANIES</b>	-	-	132.4	127.8
<b>ASSOCIATED COMPANIES</b>	372.9	380.0	192.9	192.9
<b>JOINT VENTURE COMPANIES</b>	156.9	162.0	61.9	61.9
<b>CURRENT ASSETS</b>				
Trade debtors	72.2	87.5	52.3	60.5
Prepayments and other debtors	21.7	14.7	11.6	7.6
Immediate holding company	80.8	78.9	79.3	77.1
Amount owing by related parties	40.3	48.8	40.9	49.6
Inventories	37.4	37.3	27.0	27.0
Work-in-progress	151.5	110.5	140.7	106.9
Short-term deposits	582.0	531.2	567.0	518.1
Cash and bank balances	46.7	70.5	19.8	40.4
	1,032.6	979.4	938.6	887.2
Less:				
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	266.7	250.4	225.2	211.2
Amount owing to related parties	3.7	9.2	23.1	26.2
Bank loans	6.5	4.0	-	-
Tax payable	19.1	15.7	16.5	13.8
	296.0	279.3	264.8	251.2
<b>NET CURRENT ASSETS</b>	736.6	700.1	673.8	636.0
	<b>1,663.1</b>	<b>1,639.0</b>	<b>1,337.3</b>	<b>1,294.9</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 2017</b>		<b>As at 31 Mar 2017</b>	
Secured	Unsecured	Secured	Unsecured
-	6.5	-	4.0

**Amount repayable after one year**

<b>As at 30 Jun 2017</b>		<b>As at 31 Mar 2017</b>	
Secured	Unsecured	Secured	Unsecured
-	20.7	-	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 FIRST QUARTER ENDED 30 JUNE 2017 (IN \$ MILLION)**

<b>The Group</b>	
<b>1st Quarter 2017-18</b>	<b>1st Quarter 2016-17</b>

**CASH FLOW FROM OPERATING ACTIVITIES**

Profit before taxation	40.3	201.1
Adjustments for:		
Depreciation	12.4	11.3
Amortisation of intangibles	1.4	0.9
Share-based compensation expense	1.1	0.4
Loss/(Surplus) on disposal of property, plant and equipment	*	(0.1)
Surplus on disposal of non-current asset held for sale	-	(141.6)
Interest income	(1.3)	(0.9)
Interest on external borrowings	0.2	0.1
Share of profits of associated and joint venture companies, net of tax	(21.1)	(20.7)
Exchange differences	1.8	(1.2)
Dividend received from non-current asset held for sale	-	(39.5)
<b>Operating profit before working capital changes</b>	<b>34.8</b>	<b>9.8</b>
Decrease in debtors	6.9	4.4
Increase in inventories and work-in-progress	(41.1)	(1.9)
Increase in creditors	16.5	29.3
Increase in amounts owing by immediate holding company	(1.8)	(5.4)
Decrease in amounts owing by related parties, net	2.9	14.7
<b>Cash generated from operations</b>	<b>18.2</b>	<b>50.9</b>
Income taxes (paid)/discharged	(1.3)	0.5
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>16.9</b>	<b>51.4</b>

**CASH FLOW FROM INVESTING ACTIVITIES**

Capital expenditure	(11.8)	(7.7)
Purchase of intangible assets	(4.3)	(1.5)
Proceeds from disposal of property, plant and equipment	0.7	0.3
Proceeds from disposal of non-current asset held for sale	-	156.6
Interest received from deposits	1.2	1.0
Dividends received from associated and joint venture companies	28.1	9.9
Dividend received from non-current asset held for sale	-	39.5
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>13.9</b>	<b>198.1</b>

\* Amount less than \$0.1M

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2017-18</b>	<b>1st Quarter 2016-17</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of share options	0.8	11.1
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests	-	1.4
Proceeds from borrowings	2.5	1.8
Repayment from borrowings	(0.8)	
Interest paid	(0.2)	(0.1)
Dividends paid by a subsidiary company to non-controlling interests	(0.8)	(1.6)
Purchase of treasury shares	(4.5)	(4.7)
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>	<b>(3.0)</b>	<b>7.9</b>
<b>NET CASH INFLOW</b>	<b>27.8</b>	<b>257.4</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD</b>	<b>601.7</b>	<b>393.9</b>
Effect of exchange rate changes	(0.8)	(0.7)
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>628.7</b>	<b>650.6</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short-term deposits	582.0	373.4
Cash and bank balances	46.7	277.2
<b>CASH AND CASH EQUIVALENTS AT END PERIOD</b>	<b>628.7</b>	<b>650.6</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 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		
<b>Balance at 1 April 2017</b>	<b>420.0</b>	<b>(15.2)</b>	<b>2.7</b>	<b>16.0</b>	<b>(68.0)</b>	<b>(0.6)</b>	<b>(2.4)</b>	<b>1,201.5</b>	<b>1,554.0</b>	<b>34.0</b>	<b>1,588.0</b>
Profit for the period	-	-	-	-	-	-	-	36.2	36.2	*	36.2
Actuarial loss on remeasurement of defined benefit plan	-	-	-	-	-	-	-	*	*	*	*
Foreign currency translation	-	-	-	-	(9.1)	-	-	-	(9.1)	(0.5)	(9.6)
Net fair value adjustment on cash flow hedges	-	-	-	-	-	0.3	-	-	0.3	-	0.3
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	*	2.3	-	-	2.3	-	2.3
Other comprehensive income, net of tax	-	-	-	-	(9.1)	2.6	-	*	(6.5)	(0.5)	(7.0)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9.1)</b>	<b>2.6</b>	<b>-</b>	<b>36.2</b>	<b>29.7</b>	<b>(0.5)</b>	<b>29.2</b>
Share-based compensation expense	-	-	-	1.1	-	-	-	-	1.1	-	1.1
Share options and awards lapsed	-	-	-	(0.1)	-	-	-	0.1	-	-	-
Purchase of treasury shares	-	(4.5)	-	-	-	-	-	-	(4.5)	-	(4.5)
Treasury shares reissued pursuant to equity compensation plans	-	0.8	0.1	(0.1)	-	-	-	-	0.8	-	0.8
Dividends	-	-	-	-	-	-	-	-	-	(0.8)	(0.8)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(3.7)</b>	<b>0.1</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>(2.6)</b>	<b>(0.8)</b>	<b>(3.4)</b>
<b>Balance at 30 June 2017</b>	<b>420.0</b>	<b>(18.9)</b>	<b>2.8</b>	<b>16.9</b>	<b>(77.1)</b>	<b>2.0</b>	<b>(2.4)</b>	<b>1,237.8</b>	<b>1,581.1</b>	<b>32.7</b>	<b>1,613.8</b>

\* Amount less than \$0.1M



**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 awards 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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2017 (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 2017</b>	<b>420.0</b>	<b>(15.2)</b>	<b>2.7</b>	<b>16.0</b>	<b>0.4</b>	<b>844.7</b>	<b>1,268.6</b>
Profit for the period	-	-	-	-	-	44.6	44.6
Other comprehensive income, net of tax:							
Net fair value adjustment on cash flow hedges	-	-	-	-	0.3	-	0.3
Other comprehensive income, net of tax	-	-	-	-	0.3	-	0.3
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>44.6</b>	<b>44.9</b>
Share-based compensation expense	-	-	-	1.1	-	-	1.1
Share options and awards lapsed	-	-	-	(0.1)	-	0.1	-
Purchase of treasury shares	-	(4.5)	-	-	-	-	(4.5)
Treasury shares reissued pursuant to equity compensation plans	-	0.8	0.1	(0.1)	-	-	0.8
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(3.7)</b>	<b>0.1</b>	<b>0.9</b>	<b>-</b>	<b>0.1</b>	<b>(2.6)</b>
<b>Balance at 30 June 2017</b>	<b>420.0</b>	<b>(18.9)</b>	<b>2.8</b>	<b>16.9</b>	<b>0.7</b>	<b>889.4</b>	<b>1,310.9</b>

**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, 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

**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 April to June 2017, the Company did not issue any shares upon exercise of options pursuant to share options exercised under the Employee Share Option Plan, as treasury shares were transferred to the employees.

<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 2017	1,124,116,360	420.0
Share options exercised during the period April to June 2017	-	-
Balance at 30 June 2017	1,124,116,360	420.0

As at 30 June 2017, the Company has an issued share capital of 1,124,116,360 ordinary shares (30 June 2016: 1,123,884,287 ordinary shares) of which 5,097,056 were held by the Company as treasury shares (30 June 2016: 173,252). The treasury shares held represents 0.5% (30 June 2016: 0.02%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 30 June 2017 and 30 June 2016.

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

- (i) During the period 1 April 2017 to 30 June 2017, the Company issued 215,796 shares (1 April 2016 to 30 June 2016: 3,347,348), out of which, 215,796 shares (1 April 2016 to 30 June 2016: 2,775,448) 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 2017 to 30 June 2017 is as follows:

Date of grant	Balance at 01.04.2017	Cancelled	Exercised	Balance at 30.06.2017	Exercise price*	Exercisable period
02.07.2007	8,339,444	(36,800)	-	8,302,644	\$4.52	02.07.2008-01.07.2017
01.07.2008	4,465,596	(8,800)	(215,796)	4,241,000	\$3.59	01.07.2010-30.06.2018
Total	12,805,040	(45,600)	(215,796)	12,543,644		

\* 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 and \$0.05 on 21 July 2014, the said Committee approved a reduction of \$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 2017, the number of share options of the Company outstanding was 12,543,644 (30 June 2016: 13,445,240).

**(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 30 June 2017 the number of outstanding shares granted under the Company's RSP and PSP were 1,619,306 (30 June 2016: 1,608,396) and 324,447 (30 June 2016: 334,642) respectively. The movement of these share awards during the quarter from 1 April 2017 to 30 June 2017 is as follows:

**RSP**

Date of grant	Balance at 01.04.2017	Adjustment *	Cancelled	Released	Balance at 30.06.2017
08.07.2013	44,401	-	-	-	44,401
07.07.2014	99,245	-	-	-	99,245
06.07.2015	709,480	-	(4,200)	-	705,280
07.07.2016	776,260	-	(5,880)	-	770,380
Total	1,629,386	-	(10,080)	-	1,619,306

\* 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 01.04.2017	Adjustment #	Cancelled	Released	Balance at 30.06.2017
07.07.2014	134,917	-	-	-	134,917
06.07.2015	62,080	-	-	-	62,080
07.07.2016	127,450	-	-	-	127,450
Total	324,447	-	-	-	324,447

# 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 30 June 2017, the Company has an issued share capital of 1,119,019,304 ordinary shares (31 March 2017: 1,119,926,708) excluding 5,097,056 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 April 2017 to 30 June 2017, the Company purchased 1,123,200 treasury shares (1 April 2016 to 30 June 2016: 1,251,800). The Company transferred 215,796 treasury shares to employees on exercise of share options (1 April 2016 to 30 June 2016: 2,775,448).

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 2017	4,189,652	15.2
Purchase of treasury shares	1,123,200	4.5
Treasury shares transferred on exercise of share options	(215,796)	(0.8)
Balance at 30 June 2017	5,097,056	18.9

**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 30 June 2017 and 30 June 2016. There was no sales, transfers, cancellation and/or use of subsidiary holdings for the period 1 April to 30 June 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.**

	<b>Group</b>	
	<b>1st Quarter 2017-18</b>	<b>1st Quarter 2016-17</b>
Earnings per share (cents)		
- Basic *	3.24	17.67
- Diluted #	3.23	17.63

\* 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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 17</b>	<b>As at 31 Mar 17</b>	<b>As at 30 Jun 17</b>	<b>As at 31 Mar 17</b>
Net asset value per share (cents)	141.3	138.8	117.1	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**

SIAEC Group posted a profit attributable to owners of the parent of \$36.2 million for the quarter ended 30 June 2017, compared to a profit of \$198.4 million for the same quarter last year. The profit in the same quarter last year was higher as it 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 in the quarter ended 30 June 2016, profit for the current quarter of \$36.2 million was \$1.8 million or 4.7% lower.

Revenue at \$272.8 million was comparable to the same quarter last year.

Expenditure decreased by \$18.5 million or 6.8% to \$254.7 million, mainly due to a provision made in the same quarter last year 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. Operating profit for the current quarter amounted to \$18.1 million, \$19.7 million higher compared to the operating loss of \$1.6 million last year.

Share of profits of associated and joint venture companies increased \$0.4 million or 1.9% to \$21.1 million. Contributions from Eagle Services Asia Private Limited and other associated companies increased, offset by lower contributions from Singapore Aero Engine Services Pte Ltd arising from the lower work content of engines shipped.

Basic earnings per share was 3.24 cents for the quarter ended 30 June 2017.

### **GROUP FINANCIAL POSITION**

As at 30 June 2017, equity attributable to owners of the parent increased \$27.1 million or 1.7% to \$1,581.1 million, mainly due to profits earned for the quarter. Total assets amounted to \$1,959.1 million, an increase of \$40.8 million or 2.1%. The Group's cash balance was \$628.7 million as at 30 June 2017.

Net asset value per share as at 30 June 2017 was 141.3 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 for the maintenance, repair and overhaul (MRO) industry remains challenging. Notwithstanding this, the Group has continued to pursue expansion opportunities for sustainable long-term growth.

During the quarter, we announced that we reached an in-principle agreement with GE Aviation to form an engine overhaul joint venture in Singapore. This marks our third engine overhaul facility with the world's leading engine manufacturers. This venture will further strengthen the Group's capabilities to provide MRO services to airlines' new-generation fleets on a wide range of engine models. We have also expanded our geographical network with the incorporation of a wholly-owned subsidiary in Osaka to provide line maintenance services at this key airport in Japan. The foregoing and other recent investments are not expected to be accretive in the near-term.

At the same time, the Company will continue with initiatives to increase productivity, enhance operational efficiencies and manage our costs to remain competitive.

**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 2017.

### 13. Interested Person Transactions

(In \$ Million)

The aggregate value of all Interested Person Transactions (“IPTs”) entered into during the first quarter of Financial Year 2017-18 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	-	3.3
- Singapore Airlines Cargo Pte Ltd	-	0.5
- SilkAir (Singapore) Pte Ltd	-	0.2
- Scoot Pte Ltd	-	0.3
- Tiger Airways Singapore Pte Ltd	-	1.9
<b>Total</b>	-	<b>6.2</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

Lu Ling Ling  
Company Secretary  
25 July 2017

Singapore Co. Regn. No.: 198201025C

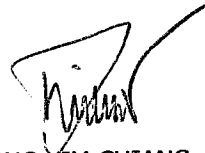
## CONFIRMATION BY THE BOARD

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 first quarter 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

25 July 2017