SIA ENGINEERING COMPANY

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 FINANCIAL YEAR ENDED 31 MARCH 2020 (IN $ MILLION)

	The Group		The Group	
	4th Quarter 2019-20	4th Quarter 2018-19	2019-20	2018-19
REVENUE	**229.3**	**256.0**	**994.1**	**1,020.9**
EXPENDITURE				
Staff costs	107.4	118.4	481.4	488.7
Material costs	28.8	37.0	128.5	145.2
Depreciation	17.7	12.2	72.8	49.5
Amortisation of intangible assets	0.8	0.9	3.3	4.0
Impairment of property, plant and equipment	3.3	–	4.3	–
Company accommodation	4.7	12.4	22.6	49.8
Subcontract costs	26.2	26.4	110.1	118.3
Other operating expenses	26.1	29.3	103.4	108.6
	215.0	236.6	926.4	964.1
OPERATING PROFIT	**14.3**	**19.4**	**67.7**	**56.8**
Interest income	2.2	2.4	10.4	8.0
Finance charges	(0.8)	(0.4)	(3.8)	(0.9)
Surplus on disposal of property, plant and equipment	0.1	*	2.5	1.1
Loss on liquidation of an associated company	–	–	(0.2)	–
Surplus on disposal of a subsidiary company	–	–	–	0.3
Loss on disposal of an associated company	–	(0.1)	–	(0.1)
Share of profits of associated companies, net of tax	22.5	22.3	83.4	73.5
Share of profits of joint venture company, net of tax	12.4	10.0	44.5	40.4
PROFIT BEFORE TAXATION	**50.7**	**53.6**	**204.5**	**179.1**
Taxation expense	0.7	(5.1)	(14.0)	(18.1)
PROFIT FOR THE FINANCIAL YEAR	**51.4**	**48.5**	**190.5**	**161.0**
PROFIT ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	**52.2**	**49.3**	**193.8**	**160.9**
Non-controlling interests	(0.8)	(0.8)	(3.3)	0.1
	51.4	**48.5**	**190.5**	**161.0**
BASIC EARNINGS PER SHARE (CENTS)	4.66	4.40	17.30	14.38
DILUTED EARNINGS PER SHARE (CENTS)	4.65	4.39	17.26	14.35

* Amount less than $0.1M

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

	The Group		The Group	
	4th Quarter 2019-20	4th Quarter 2018-19	2019-20	2018-19
	$M	$M	$M	$M
Impairment loss allowance	9.0	0.3	10.9	0.2
Exchange (gain)/loss, net	(3.8)	1.4	(2.8)	1.1
(Over)/Under provision of tax in respect of prior year	(0.1)	*	0.4	(0.2)
Provision for stock obsolescence, net	0.1	1.1	2.3	4.0

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (IN $ MILLION)

	The Group		The Group	
	4th Quarter 2019-20	4th Quarter 2018-19	2019-20	2018-19
PROFIT FOR THE FINANCIAL YEAR	**51.4**	**48.5**	**190.5**	**161.0**
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified to profit or loss:				
Actuarial (loss)/gain on remeasurement of defined benefit plan	(1.1)	0.1	(1.1)	0.1
	(1.1)	0.1	(1.1)	0.1
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	39.9	(4.1)	36.1	20.7
Realisation of foreign currency translation reserves on liquidation of an associated company	–	–	0.2	–
Realisation of foreign currency translation reserves on disposal of a subsidiary company	–	–	–	(0.1)
Net fair value adjustment on cash flow hedges	2.2	(0.1)	2.0	1.7
Share of other comprehensive income of associated/joint venture companies	(9.7)	(0.6)	(10.2)	(5.4)
	32.4	(4.8)	28.1	16.9
OTHER COMPREHENSIVE INCOME, NET OF TAX	**31.3**	**(4.7)**	**27.0**	**17.0**
TOTAL COMPREHENSIVE INCOME	**82.7**	**43.8**	**217.5**	**178.0**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	82.2	44.7	219.4	177.1
Non-controlling interests	0.5	(0.9)	(1.9)	0.9
	82.7	**43.8**	**217.5**	**178.0**

* Amount less than $0.1M

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (IN $ MILLION)

	The Company		The Company	
	4th Quarter 2019-20	4th Quarter 2018-19	2019-20	2018-19
PROFIT FOR THE FINANCIAL YEAR	**38.4**	**44.8**	**150.0**	**176.0**
OTHER COMPREHENSIVE INCOME				
Other comprehensive income, net of tax				
Item that will not be reclassified to profit or loss:				
Actuarial loss on remeasurement of defined benefit plan	(0.4)	–	(0.4)	–
	(0.4)	–	(0.4)	–
Item that may be reclassified subsequently to profit or loss:				
Net fair value adjustment on cash flow hedges	2.2	(0.1)	2.0	1.7
	2.2	(0.1)	2.0	1.7
OTHER COMPREHENSIVE INCOME, NET OF TAX	**1.8**	**(0.1)**	**1.6**	**1.7**
TOTAL COMPREHENSIVE INCOME	**40.2**	**44.7**	**151.6**	**177.7**

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 AS AT 31 MARCH 2020 (IN $ MILLION)

	The Group		The Company	
	31 Mar 2020	**31 Mar 2019**	**31 Mar 2020**	**31 Mar 2019**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	420.0	420.0	420.0	420.0
Treasury shares	(13.7)	(18.0)	(13.7)	(18.0)
Capital reserve	2.8	2.9	2.8	2.9
Share-based compensation reserve	5.4	5.6	5.4	5.6
Foreign currency translation reserve	16.0	(18.2)	–	–
Fair value reserve	(8.7)	(0.9)	3.4	1.4
Equity transaction reserve	(4.5)	(4.5)	-	–
General reserve	1,211.5	1,141.7	894.5	868.1
	1,628.8	1,528.6	1,312.4	1,280.0
NON-CONTROLLING INTERESTS	32.2	35.4	–	–
TOTAL EQUITY	1,661.0	1,564.0	1,312.4	1,280.0
NON-CURRENT LIABILITIES				
Deferred taxation	18.5	23.1	17.9	21.2
Long-term lease liabilities	77.9	–	69.7	–
Long-term bank loan	7.3	12.6	–	–
	103.7	35.7	87.6	21.2
	1,764.7	**1,599.7**	**1,400.0**	**1,301.2**
Represented by :				
PROPERTY, PLANT AND EQUIPMENT	231.3	260.8	177.0	204.1
INTANGIBLE ASSETS	51.9	46.6	12.8	10.9
RIGHT-OF-USE ASSETS	97.0	–	79.2	–
SUBSIDIARY COMPANIES	–	–	147.0	153.3
ASSOCIATED COMPANIES	457.4	404.3	216.7	221.7
JOINT VENTURE COMPANY	159.2	154.7	61.9	61.9
PREPAYMENTS AND OTHER DEBTORS	10.6	13.8	6.0	–
CURRENT ASSETS				
Trade debtors	60.3	81.2	44.1	59.5
Contract assets	234.7	183.9	197.5	165.5
Prepayments and other debtors	24.7	19.9	17.6	8.4
Amount owing by immediate holding company	53.5	92.0	52.8	91.3
Amounts owing by related parties	51.6	30.8	75.0	44.5
Inventories	39.4	35.6	25.3	23.2
Short-term deposits	480.4	465.8	467.7	436.0
Cash and bank balances	39.3	55.8	6.6	31.3
	983.9	965.0	886.6	859.7
Assets held for sale	14.2	–	14.2	–
	998.1	965.0	900.8	859.7
Less:				
CURRENT LIABILITIES				
Trade and other creditors	177.5	186.0	132.4	149.5
Contract liabilities	16.4	33.5	16.4	33.3
Lease liabilities	21.3	–	19.7	–
Amounts owing to related parties	0.7	0.8	13.6	10.1
Bank loans	5.9	6.7	–	–
Tax payable	19.0	18.5	19.3	17.5
	240.8	245.5	201.4	210.4
NET CURRENT ASSETS	757.3	719.5	699.4	649.3
	1,764.7	**1,599.7**	**1,400.0**	**1,301.2**

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 Mar 2020		As at 31 Mar 2019	
Secured	Unsecured	Secured	Unsecured
–	5.9	–	6.7

Amount repayable after one year

As at 31 Mar 2020		As at 31 Mar 2019	
Secured	Unsecured	Secured	Unsecured
–	7.3	–	12.6

Details of any collateral

Excluded in the borrowings above are lease liabilities of $99.2 million which are secured over the right-of-use assets.

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 FINANCIAL YEAR ENDED 31 MARCH 2020 (IN $ MILLION)

	The Group	
	2019-20	**2018-19**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	204.5	179.1
Adjustments for:		
Depreciation	72.8	49.5
Amortisation of intangible assets	3.3	4.0
Impairment of property, plant and equipment	4.3	–
Share-based compensation expense	4.0	4.2
Interest income	(10.4)	(8.0)
Finance charges	3.8	0.9
Impairment loss allowance	10.9	0.2
Surplus on disposal of property, plant and equipment	(2.5)	(1.1)
Loss on liquidation of an associated company	0.2	–
Surplus on disposal of a subsidiary company	–	(0.3)
Loss on disposal of an associated company	–	0.1
Share of profits of associated and joint venture companies, net of tax	(127.9)	(113.9)
Exchange differences	(2.8)	1.1
Operating profit before working capital changes	**160.2**	**115.8**
Decrease/(Increase) in debtors	18.3	(7.5)
(Increase)/Decrease in contract assets	(51.4)	11.7
Increase in inventories	(3.8)	(1.4)
(Decrease)/Increase in creditors	(9.9)	13.8
(Decrease)/Increase in contract liabilities	(17.1)	1.2
Decrease/(Increase) in amounts owing by immediate holding company	38.0	(48.5)
(Increase)/Decrease in amounts owing by related parties, net	(25.1)	11.5
Cash generated from operations	**109.2**	**96.6**
Income taxes paid	(18.1)	(21.2)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**91.1**	**75.4**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (IN $ MILLION)

	The Group	
	2019-20	**2018-19**
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(36.8)	(25.0)
Purchase of intangible assets	(6.8)	(14.8)
Proceeds from disposal of property, plant and equipment	6.3	4.3
Proceeds from disposal of a subsidiary company, net of cash disposed of	–	1.6
Proceeds from disposal of an associated company, net of cash disposed of	–	4.0
Proceeds from liquidation of an associated company, net of cash disposed of	5.1	–
Investment in associated companies	(0.3)	(1.9)
Interest received from deposits	10.9	6.5
Dividends received from associated and joint venture companies	84.0	108.2
NET CASH PROVIDED BY INVESTING ACTIVITIES	**62.4**	**82.9**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital by a subsidiary company to non-controlling interests	–	8.8
Acquisition of additional interest in a subsidiary company	–	(4.7)
Proceeds from borrowings	–	0.4
Repayment of borrowings	(6.8)	(3.8)
Finance charges paid	(0.6)	(0.9)
Repayment of lease liabilities	(27.5)	–
Dividends paid	(123.2)	(134.3)
Dividends paid by subsidiary companies to non-controlling interests	(1.3)	(3.0)
NET CASH USED IN FINANCING ACTIVITIES	**(159.4)**	**(137.5)**
NET CASH (OUTFLOW)/INFLOW	**(5.9)**	**20.8**
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**521.6**	**499.7**
Effect of exchange rate changes	4.0	1.1
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**519.7**	**521.6**
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	480.4	465.8
Cash and bank balances	39.3	55.8
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**519.7**	**521.6**

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 FINANCIAL YEAR ENDED 31 MARCH 2020 (IN $ MILLION)

	Attributable to Owners of the Parent										
The Group	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total	Non-controlling interests	Total Equity
Balance at 1 April 2019	**420.0**	**(18.0)**	**2.9**	**5.6**	**(18.2)**	**(0.9)**	**(4.5)**	**1,141.7**	**1,528.6**	**35.4**	**1,564.0**
Profit for the financial year	–	–	–	–	–	–	–	193.8	193.8	(3.3)	190.5
Actuarial loss on remeasurement of defined benefit plan	–	–	–	–	–	–	–	(0.8)	(0.8)	(0.3)	(1.1)
Foreign currency translation	–	–	–	–	34.4	–	–	–	34.4	1.7	36.1
Realisation of foreign currency translation reserves on liquidation of an associated company	–	–	–	–	0.2	–	–	–	0.2	–	0.2
Net fair value adjustment on cash flow hedges	–	–	–	–	–	2.0	–	–	2.0	–	2.0
Share of other comprehensive income of associated/joint venture companies	–	–	–	–	(0.4)	(9.8)	–	–	(10.2)	–	(10.2)
Other comprehensive income for the financial year, net of tax	–	–	–	–	34.2	(7.8)	–	(0.8)	25.6	1.4	27.0
Total comprehensive income for the financial year	**–**	**–**	**–**	**–**	**34.2**	**(7.8)**	**–**	**193.0**	**219.4**	**(1.9)**	**217.5**
Share-based compensation expense	–	–	–	4.0	–	–	–	–	4.0	–	4.0
Share awards released	–	4.2	–	(4.2)	–	–	–	–	–	–	–
Treasury shares reissued pursuant to equity compensation plans	–	0.1	(0.1)	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	(123.2)	(123.2)	(1.3)	(124.5)
Total contributions by and distributions to owners	**–**	**4.3**	**(0.1)**	**(0.2)**	**–**	**–**	**–**	**(123.2)**	**(119.2)**	**(1.3)**	**(120.5)**
Balance at 31 March 2020	**420.0**	**(13.7)**	**2.8**	**5.4**	**16.0**	**(8.7)**	**(4.5)**	**1,211.5**	**1,628.8**	**32.2**	**1,661.0**

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (IN $ MILLION)

The Group	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total	Non-controlling interests	Total Equity
	Attributable to Owners of the Parent										
Balance at 1 April 2018	**420.0**	**(21.3)**	**2.8**	**7.1**	**(38.9)**	**3.6**	**(2.4)**	**1,112.8**	**1,483.7**	**31.3**	**1,515.0**
Profit for the financial year	–	–	–	–	–	–	–	160.9	160.9	0.1	161.0
Actuarial gain on remeasurement of defined benefit plan	–	–	–	–	–	–	–	*	*	0.1	0.1
Foreign currency translation	–	–	–	–	20.0	–	–	–	20.0	0.7	20.7
Realisation of foreign currency translation reserves on disposal of a subsidiary company	–	–	–	–	(0.1)	–	–	–	(0.1)	–	(0.1)
Net fair value adjustment on cash flow hedges	–	–	–	–	–	1.7	–	–	1.7	–	1.7
Share of other comprehensive income of associated/joint venture companies	–	–	–	–	0.8	(6.2)	–	–	(5.4)	–	(5.4)
Other comprehensive income for the financial year, net of tax	–	–	–	–	20.7	(4.5)	–	–	16.2	0.8	17.0
Total comprehensive income for the financial year	**–**	**–**	**–**	**–**	**20.7**	**(4.5)**	**–**	**160.9**	**177.1**	**0.9**	**178.0**
Capital contribution	–	–	–	–	–	–	–	–	–	8.8	8.8
Share-based compensation expense	–	–	–	4.2	–	–	–	–	4.2	–	4.2
Share options lapsed	–	–	–	(2.3)	–	–	–	2.3	–	–	–
Share awards released	–	3.4	–	(3.4)	–	–	–	–	–	–	–
Treasury shares reissued pursuant to equity compensation plans	–	(0.1)	0.1	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	(134.3)	(134.3)	(3.0)	(137.3)
Total contributions by and distributions to owners	**–**	**3.3**	**0.1**	**(1.5)**	**–**	**–**	**–**	**(132.0)**	**(130.1)**	**5.8**	**(124.3)**
Acquisition of non-controlling interests without change in control	–	–	–	–	–	–	(2.1)	–	(2.1)	(2.6)	(4.7)
Changes in ownership interests in a subsidiary company	**–**	**–**	**–**	**–**	**–**	**–**	**(2.1)**	**–**	**(2.1)**	**(2.6)**	**(4.7)**
Balance at 31 March 2019	**420.0**	**(18.0)**	**2.9**	**5.6**	**(18.2)**	**(0.9)**	**(4.5)**	**1,141.7**	**1,528.6**	**35.4**	**1,564.0**

* Amount less than $0.1M

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (IN $ MILLION)

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2019	**420.0**	**(18.0)**	**2.9**	**5.6**	**1.4**	**868.1**	**1,280.0**
Profit for the financial year	–	–	–	–	–	150.0	150.0
Other comprehensive income for the year, net of tax:							
Actuarial loss on remeasurement of defined benefit plan	–	–	–	–	–	(0.4)	(0.4)
Net fair value adjustment on cash flow hedges	–	–	–	–	2.0	–	2.0
Total comprehensive income for the financial year	**–**	**–**	**–**	**–**	**2.0**	**149.6**	**151.6**
Share-based compensation expense	–	–	–	4.0	–	–	4.0
Share awards released	–	4.2	–	(4.2)	–	–	–
Treasury shares reissued pursuant to equity compensation plans	–	0.1	(0.1)	–	–	–	–
Dividends	–	–	–	–	–	(123.2)	(123.2)
Total contributions by and distributions to owners	**–**	**4.3**	**(0.1)**	**(0.2)**	**–**	**(123.2)**	**(119.2)**
Balance at 31 March 2020	**420.0**	**(13.7)**	**2.8**	**5.4**	**3.4**	**894.5**	**1,312.4**

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (IN $ MILLION)

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2018	**420.0**	**(21.3)**	**2.8**	**7.1**	**(0.3)**	**824.1**	**1,232.4**
Profit for the financial year	–	–	–	–	–	176.0	176.0
Other comprehensive income for the year, net of tax:							
Net fair value adjustment on cash flow hedges	–	–	–	–	1.7	–	1.7
Total comprehensive income for the financial year	**–**	**–**	**–**	**–**	**1.7**	**176.0**	**177.7**
Share-based compensation expense	–	–	–	4.2	–	–	4.2
Share options lapsed	–	–	–	(2.3)	–	2.3	–
Share awards released	–	3.4	–	(3.4)	–	–	–
Treasury shares reissued pursuant to equity compensation plans	–	(0.1)	0.1	–	–	–	–
Dividends	–	–	–	–	–	(134.3)	(134.3)
Total contributions by and distributions to owners	**–**	**3.3**	**0.1**	**(1.5)**	**–**	**(132.0)**	**(130.1)**
Balance at 31 March 2019	**420.0**	**(18.0)**	**2.9**	**5.6**	**1.4**	**868.1**	**1,280.0**

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 financial year, there was no issuance of new ordinary shares.

Group and Company	**Number of Shares**	**Share Capital ($ Million)**
Issued and fully paid share capital Ordinary Shares Balance at 1 April 2019 and 31 March 2020	1,124,116,360	420.0

As at 31 March 2020, the Company has an issued share capital of 1,124,116,360 ordinary shares (31 March 2019: 1,124,116,360 ordinary shares) of which 3,802,777 were held by the Company as treasury shares (31 March 2019: 5,005,974). The treasury shares held represents 0.3% (31 March 2019: 0.4%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 March 2020 and 31 March 2019.

(B) 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 March 2020, the number of outstanding shares granted under the Company's RSP and PSP were 2,099,908 (31 March 2019: 2,010,515) and 641,987 (31 March 2019: 497,631) respectively. The movement of these share awards during the financial year ended 31 March 2020 is as follows:

RSP

Date of grant	Balance at 01.04.2019/ Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2020
06.07.2015	162,946	–	–	(162,946)	–
07.07.2016	192,819	–	–	(192,819)	–
07.07.2017	782,930	–	(20,182)	(416,864)	345,884
06.07.2018	871,820	156,930	(43,317)	(368,509)	616,924
05.07.2019	1,176,100	–	(39,000)	–	1,137,100
Total	3,186,615	156,930	(102,499)	(1,141,138)	2,099,908

* 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 01.04.2019/ Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2020
07.07.2016	129,044	(63,230)	(3,755)	(62,059)	–
07.07.2017	193,287	–	–	–	193,287
06.07.2018	175,300	–	–	–	175,300
05.07.2019	273,400	–	–	–	273,400
Total	771,031	(63,230)	(3,755)	(62,059)	641,987

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

(C) Deferred Share Award ("DSA")

From July 2019, grants of Deferred Share Award ("DSA") of fully paid ordinary shares are granted to senior management staff. At the end of a 3-year vesting period, an additional final award will be vested equal to the Base Award multiplied by the accumulated dividend yield. The details of the DSA are as follows:

Date of grant	Balance at Date of grant	Vested	Balance at 31.03.2020
05.07.2019	173,278	–	173,278

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 March 2020, the Company has an issued share capital of 1,120,313,583 ordinary shares (31 March 2019: 1,119,110,386) excluding 3,802,777 ordinary shares (31 March 2019: 5,005,974) 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 financial year, the Company did not purchase any treasury shares (2018-19: nil). The Company transferred 1,203,197 treasury shares to employees on vesting of share-based incentive plans (2018-19: 922,983 treasury shares to employees 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 April 2019	5,005,974	18.0
Treasury shares transferred on vesting of share-based incentives plans	(1,203,197)	(4.3)
Balance at 31 March 2020	3,802,777	13.7

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 March 2020 and 31 March 2019. There were no sales, transfers, cancellation and/or use of subsidiary holdings for the financial year ended 31 March 2020.

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 financial statements have been audited in accordance with Singapore Standards on Auditing.

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

See attached auditor's report.

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 preparation of the financial statements for the current financial period as compared to the audited financial statements as at 31 March 2019 except for the adoption of new or revised International Financial Reporting Standards ("IFRS") and Interpretations of IFRS ("INT IFRS") that are mandatory for financial year beginning on or after 1 April 2019. The adoption of these IFRS and INT IFRS has no significant impact on the Group's consolidated financial statements, except as disclosed in item 5 below.

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.

The Group has adopted International Financial Reporting Standards 16 Leases, effective for the financial period beginning 1 April 2019 as follows:

IFRS 16 Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group applied the modified retrospective approach, with no restatement of comparative information. The Group also applied the practical expedient to grandfather the definition of lease on transition.

As lessee

The Group choose, on a lease-by-lease basis, to measure an ROU asset at an amount equal to the lease liability arising from the capitalisation of the present value of future lease payments.

In addition, the Group applied the following practical expedients:

- apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- account for leases for which the lease term ends within 12 months from 1 April 2019 as short-term leases;
- exclude initial direct costs for the measurement of ROU assets as of 1 April 2019; and
- use hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

As lessor

IFRS 16 substantially carries forward the current lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

No significant impact for other leases in which the Group is a lessor.

Key impact on Consolidated Income Statement

The expenses related to operating leases previously shown in the Consolidated Income Statement under "Company accommodation" is replaced by depreciation expense for ROU assets and finance charges on lease liabilities.

Key impact on Balance Sheets

As at 1 April 2019	Increase/(Decrease)	
	Group	**Company**
	$ million	$ million
Liabilities		
Long-term lease liabilities	81.2	72.0
Lease liabilities	20.5	18.9
Assets		
Right-of-use assets	101.7	90.9

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**	
	4th Quarter 2019-20	**4th Quarter 2018-19**	**2019-20**	**2018-19**
Earnings per share (cents)				
- Basic *	4.66	4.40	17.30	14.38
- Diluted #	4.65	4.39	17.26	14.35

* 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, restricted and performance 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.

	Group		**Company**	
	As at 31 Mar 20	**As at 31 Mar 19**	**As at 31 Mar 20**	**As at 31 Mar 19**
Net asset value per share (cents)	145.4	136.6	117.2	114.4

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

Financial Year 2019-20

The Group operating profit for the year ended 31 March 2020 was $67.7 million; $10.9 million (+19.2%) higher year-on-year. The strong performance recorded in the first nine months of the financial year continued into the last quarter until significant flight cancellations by airline customers severely impacted our line maintenance business. The improvement in operating profit was supported by the Company's Transformation efforts, which has delivered improvement in manpower utilization and reduced costs.

Group revenue at $994.1 million was $26.8 million (-2.6%) lower, mainly due to a $23.7 million decrease in airframe and line maintenance revenue. Expenditure decreased $37.7 million (-3.9%) to $926.4 million. In line with the lower workload, material and subcontract services costs decreased. In addition, staff costs and departmental costs also decreased and exchange rate movement was in our favour. The reduction in staff costs was primarily attributed to the government support schemes.

Share of profits from associated and joint venture companies was $127.9 million, $14.0 million (+12.3%) higher year-on-year, with $18.1 million higher contributions from the engine and component segment and $4.1 million lower contributions from the airframe and line maintenance segment. Higher contributions from the engine and component segment were mainly due to the writeback of tax provisions, as compared to a one-time tax charge in the same quarter last year.

Group profit increased $32.9 million (+20.4%) to $193.8 million for the year ended 31 March 2020, mainly due to higher Group operating profit and increase in share of profits of associated and joint venture companies.

Basic earnings per share was 17.30 cents for the current financial year.

Fourth Quarter FY2019-20

For the quarter ended 31 March 2020, SIAEC Group posted a revenue of $229.3 million which was $26.7 million (-10.4%) lower due to a decrease in revenue from the airframe and line maintenance segment. The reduction was mainly in March 2020 where the number of flights handled fell by about 50% due to flight cancellations resulting from the COVID-19 pandemic.

Expenditure was $215.0 million, a reduction of $21.6 million (-9.1%), mainly due to a decrease in material, staff and departmental costs. The reduction in staff costs was attributed to the support provided by the government support schemes.

In addition, in view of the weakened financial positions of our airline customers, higher doubtful debt provisions were made. The Group has also taken the cautious approach to write-down some of our rotables to fair value.

Operating profit was $5.1 million (-26.3%) lower year-on-year at $14.3 million.

Share of profits of associated and joint venture companies at $34.9 million was $2.6 million (+8.0%) higher year-on-year, with $3.3 million higher contributions from the engine and component segment and $0.7 million lower contributions from the airframe and line maintenance segment.

Group net profit increased $2.9 million (+5.9%) to $52.2 million for the quarter ended 31 March 2020.

Basic earnings per share was 4.66 cents for the current quarter.

GROUP FINANCIAL POSITION

As at 31 March 2020, equity attributable to owners of the parent was $1,628.8 million, an increase of $100.2 million (+6.6%) compared to 31 March 2019, as profits earned for the period and a gain in foreign currency translation reserve due to the strengthening of the US dollar were partially offset by payment of the final and interim dividends in respect of FY2018-19 and FY19-20 respectively.

Total assets stood at $2,005.5 million as of 31 March 2020, an increase of $160.3 million (+8.7%), partly due to the recognition of right-of-use assets. The recognition of right-of-use assets arose from the capitalisation of the present value of future lease payments for all leases under the new accounting standard, IFRS 16 Leases, which was adopted from 1 April 2019. With low borrowings and strong cash position, the Group is in a healthy financial position to weather the COVID-19 pandemic. Nonetheless, given the fluidity of the situation, the Group will remain vigilant and continue to monitor events closely and take appropriate measures as and when needed.

Net asset value per share as at 31 March 2020 was 145.4 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.

IMPACT OF COVID-19

Progressive border controls imposed by countries worldwide and lockdown of cities have resulted in drastic cuts in flights operated, directly impacting the Group's airframe and line maintenance segment. Flight cuts have the most direct and immediate impact on the line maintenance business unit at our Singapore base and overseas line maintenance stations. The impact on the Group's performance was most significant in March 2020 when the number of flights handled at our Singapore base dropped to only about 50% of our usual workload. Revenues from fleet management were similarly impacted as they are based on flying hours. Base maintenance unit and the engine and component segment were not immediately affected during the last quarter but are expected to be affected going forward. Government support schemes provided relief for the cost of manpower.

The Group is monitoring and assessing the situation closely and proactively implementing measures to mitigate the impact of the pandemic. Some of the key measures undertaken include (i) aligning with the pandemic response plan of our parent company to protect the safety and health of our staff; (ii) activating and reviewing business continuity plans to protect and minimise disruptions to operations, including making rapid adjustments to the Group's operations in response to the evolving situation; (iii) taking actions to mitigate the adverse financial impact and protect jobs; and (iv) working closely with our partners and customers to jointly address the challenges during this difficult period.

With more staff telecommuting, the Group is mindful of the associated cyber security and data protection risks. Besides providing staff with the necessary IT support to work from home, appropriate cyber security and data protection measures have also been implemented to protect our IT systems. Regular reminders to staff are sent to maintain vigilance and adopt good IT security practices against the risks of hacking and phishing attacks.

The pandemic has significantly weakened the financial position of our airline customers and OEM partners and the near-term cash generation ability of our assets. We have taken a cautious approach in assessing these risks and provided for the necessary impairments based on our current assessments, but recognizing however that these risks need to be constantly reviewed.

OUTLOOK

The COVID-19 pandemic has an unprecedented adverse impact on the aviation industry and consequently on the MRO business without clear visibility on the timing of its recovery. Border controls imposed by countries worldwide and the precipitous decline in travel demand has forced drastic cuts in flight capacities and grounding of aircraft. Changi Airport has reported that the number of scheduled flights for April 2020 is 96 per cent fewer than what was originally scheduled. In response to the worsening crisis, the International Air Transport Association is projecting a more realistic U-shaped recovery for the air travel industry, with domestic travel coming back faster than the international market. Against this backdrop, our performance will be adversely affected.

Recovery of our core line maintenance business in Singapore will be directly dependent on the return of air traffic movement at Changi Airport. And for our overseas line maintenance stations, the return of air traffic movement at these airports. While regulated mandatory aircraft checks are still ongoing, the reduction in flying hours and subsequent extended maintenance intervals will have an impact, albeit delayed, on our base maintenance unit and our joint ventures with engine and component OEMs. In summary, the pace of recovery for our MRO business is unclear but is expected to be slow as it will depend on the improvement of the aviation industry.

Our balance sheet is healthy with strong cash position and low borrowings. This puts us in a good position to weather the downturn, with careful management of our expenses and cash flow. Nonetheless, as the situation is dynamic, we will continue to monitor this closely and where necessary, to secure additional financing. Apart from measures already taken to reduce our costs, the Group is proactively taking steps to mitigate the impact of COVID-19 on our operating performance. The Company, together with our partners and our joint ventures, are actively managing the impact of the pandemic on our operations and business, reducing operating costs, deferring non critical capital expenditure and timing of certain payments, maintaining adequate liquidity and preserving our businesses.

Our transformation initiatives have delivered significant improvements in our operating performance. Notwithstanding the challenging outlook, we will continue to drive our Transformation efforts and investments in technology to achieve higher productivity, build capability and equip our staff with new skillsets with the aim to continuously improve.

Given the changes and challenges posed by the COVID-19 pandemic, we will review our portfolio of investments. While remaining vigilant to such challenges, we will balance our need to conserve our cash resources and yet continue to look out for new investment and partnership opportunities to emerge stronger as a trusted partner in the global MRO industry.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	3.0 cents per ordinary share	5.0 cents per ordinary share
Tax rate	Tax exempt one-tier	Tax exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	3.0 cents per ordinary share	8.0 cents per ordinary share
Tax rate	Tax exempt one-tier	Tax exempt one-tier

(c) Date payable

The final dividend payment date will be announced at a later date.

(d) Books closure date

Will be announced at a later date.

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

Not applicable.

13. Interested Person Transactions

(In $ Million)

The aggregate value of all Interested Person Transactions ("IPTs") entered into during the Financial Year 2019-20 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		
- Singapore Airlines Limited	–	685.1*
- NokScoot Airlines Co. Ltd	–	95.8
- Scoot Tigerair Pte Ltd	–	3.8
- SilkAir (Singapore) Pte Ltd	–	0.9
- Singapore Aviation and General Insurance Company (Pte) Limited	–	0.8
- TATA SIA Airlines Limited	–	0.6
Non-listed Associates of Temasek Holdings (Private) Limited		
- AJI International Pte Ltd	–	26.0
- Synergy FMI Pte Ltd	–	1.1
SATS Group		
- SATS Ltd	–	0.5
Sembcorp Industries Limited Group		
- Sembcorp Solar Singapore Private Limited	–	8.5
Singapore Technologies Engineering Limited Group		
- Singapore Test Services Pte Ltd	–	0.1
Total	–	**823.2**

* Includes principal, interest and service fees, in respect of Treasury transactions.

Notes:

1. All the transactions set out in the above are based on records from the Company's Register of Interested Person Transactions for the financial period under review, and include transactions whose durations exceed the financial period under review and/or multiple transactions with the same interested person. The transactions were based on actual or estimated values of the transactions for the entire duration of the relevant transactions in the case of fixed term contracts or annual/periodic values of the transactions in the case of open-ended contracts, taking into account agreed rates.

2. All the above interested person transactions were done on normal commercial terms.

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group's businesses are organised and managed separately according to the nature of the services provided. The following tables present revenue and profit information regarding operating segments for the financial years ended 31 March 2020 and 31 March 2019 and certain assets information of the operating segments as at those dates.

2019-20 (in $ million)	**Airframe and Line Maintenance**	**Engine and Component**	**Total segments**	**Eliminations and adjustments**	**Per consolidated financial statements**
SEGMENT REVENUE					
External revenue					
Company and subsidiaries	967.7	26.4	994.1	–	994.1
Associated companies+	140.5	2,291.1	2,431.6	(2,431.6)	–
Joint venture company+	–	2,914.5	2,914.5	(2,914.5)	–
Inter-segment revenue	–	2.0	2.0	(2.0)	–
	1,108.2	5,234.0	6,342.2	(5,348.1)	994.1
SEGMENT RESULTS					
Segment results					
Company and subsidiaries	71.2	(3.5)	67.7	–	67.7
Associated companies+	(11.1)	199.8	188.7	(188.7)	–
Joint venture company+	–	105.1	105.1	(105.1)	–
	60.1	301.4	361.5	(293.8)	67.7
Interest income					10.4
Loss on liquidation of an associated company					(0.2)
Share of profits of associated companies, net of tax				83.4	83.4
Share of profits of joint venture companies, net of tax				44.5	44.5
Other unallocated amounts					(1.3)
Profit before taxation					204.5
Taxation expense					(14.0)
Profit for the financial year					190.5
Other segment items					
Depreciation	71.6	1.2	72.8	–	72.8
Amortisation of intangible assets	1.7	1.6	3.3	–	3.3
Impairment of property, plant and equipment	4.3	–	4.3	–	4.3
Segment assets					
Property, plant and equipment	224.8	6.5	231.3	–	231.3
Right-of-use assets	95.8	1.2	97.0	–	97.0
Intangible assets	13.6	38.3	51.9	–	51.9
Investment in associated/ joint venture companies	44.4	572.2	616.6	–	616.6
Prepayments and other debtors (non-current)	–	10.6	10.6	–	10.6
Other unallocated assets					998.1
Total assets	378.6	628.8	1,007.4	–	2,005.5

2018-19 (in $ million)	**Airframe and Line Maintenance**	**Engine and Component**	**Total segments**	**Eliminations and adjustments**	**Per consolidated financial statements**
SEGMENT REVENUE					
External revenue					
Company and subsidiaries	991.4	29.5	1,020.9	–	1,020.9
Associated companies+	135.4	2,113.5	2,248.9	(2,248.9)	–
Joint venture company+	–	2,113.0	2,113.0	(2,113.0)	–
Inter-segment revenue	–	3.0	3.0	(3.0)	–
	1,126.8	4,259.0	5,385.8	(4,364.9)	1,020.9
SEGMENT RESULTS					
Segment results					
Company and subsidiaries	59.8	(3.0)	56.8	–	56.8
Associated companies+	(1.7)	200.2	198.5	(198.5)	–
Joint venture company+	–	94.6	94.6	(94.6)	–
	58.1	291.8	349.9	(293.1)	56.8
Interest income					8.0
Loss on disposal of an associated company					(0.1)
Surplus on disposal of a subsidiary company					0.3
Share of profits of associated companies, net of tax				73.5	73.5
Share of profits of joint venture companies, net of tax				40.4	40.4
Other unallocated amounts					0.2
Profit before taxation					179.1
Taxation expense					(18.1)
Profit for the financial year					161.0
Other segment items					
Depreciation	48.3	1.2	49.5	–	49.5
Amortisation of intangible assets	2.0	2.0	4.0	–	4.0
Segment assets					
Property, plant and equipment	254.4	6.4	260.8	–	260.8
Intangible assets	11.6	35.0	46.6	–	46.6
Investment in associated/ joint venture companies	50.1	508.9	559.0	–	559.0
Prepayments and other debtors (non-current)	–	13.8	13.8	–	13.8
Other unallocated assets					965.0
Total assets	316.1	564.1	880.2	–	1,845.2

+ Full information of the associated and joint venture companies (total revenue, total profit or loss) are reported in Operating Segments Revenue and Results, but eliminated to reconcile to the Group consolidated results with these equity-accounted investees included under the equity method.

Geographical segments

Revenue* and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue*		Non-current assets 31 March	
(in $ million)	**2019-20**	**2018-19**	**2020**	**2019**
East Asia #	721.1	713.6	968.0	844.7
Europe ^	198.2	216.6	–	–
South West Pacific	20.2	39.2	–	–
Americas	16.5	22.1	39.4	35.5
West Asia and Africa	38.1	29.4	–	–
Total	994.1	1,020.9	1,007.4	880.2

* Revenue from Company and subsidiary companies
# Mainly Singapore
^ Mainly France

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets, intangible assets, investments in associated and joint venture companies and prepayments and other debtors as presented in the consolidated balance sheet.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

For details, please refer to paragraph 8.

16. A breakdown of sales

	GROUP		
	2019-20	**2018-19**	**Change**
	S$M	**S$M**	**%**
Turnover reported for first half year	512.7	509.0	+ 0.7%
Profit after tax reported for the first half year	86.8	78.9	+ 10.0%
Turnover reported for second half year	481.4	511.9	- 6.0%
Profit after tax reported for the second half year	103.7	82.1	+ 26.3%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Annual Dividend (in $ million)	2019-20	2018-19
Ordinary dividend		
- Interim	33.6	33.6
- Final#	56.0	89.6
Total:	89.6	123.2

2019-20 final dividend is estimated based on number of shares outstanding as at the end of the financial year, excluding treasury shares.

18. Disclosure of person(s) occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, SIA Engineering Company Limited (the "Company") confirms that, to the best of its knowledge, there is no person occupying a managerial position in the Company or in any of its principal subsidiaries, who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

19. 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
8 May 2020

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Independent Auditors' Report

Members of the Company
SIA Engineering Company Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of SIA Engineering Company Limited (the "Company") and its subsidiaries (the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2020, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity of the Group, statement of changes in equity of the Company and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 19 to 109.

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and the consolidated financial performance, consolidated changes in equity of the Group, changes in equity of the Company and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Classification of investments in subsidiaries, associates and joint venture

Refer to Note 3(d) 'Basis of consolidation' and Note 3(e) 'Subsidiary, associated and joint venture companies' for the relevant accounting policies.

Risk

The Group has a number of strategic alliances with original equipment manufacturers and airlines by way of joint formation as subsidiaries, associates or joint ventures.

The classification is premised on whether the Group has control, significant influence or joint control over the investees. Such an investment classification rests on terms and conditions of shareholders' agreement that govern the investees' operations. In some cases, judgement is needed for an appropriate classification. Any inappropriate classification can have a material or pervasive effect on the financial statements of the Group.

Our response

On new investments, we examined the shareholders agreements, reviewed the terms that govern the rights and obligations of the respective investors, including dispute resolution and termination provisions, governance structure and profit-sharing arrangement, so as to establish whether the Group has control, significant influence or joint control over the investees.

On existing investments, we inquired of Management if there were any modified terms of arrangement that would change the investment classification previously assessed.

We assessed Management's conclusion on the classification of these investments by reference to the applicable financial reporting standards.

Findings

The Group has examined the relevant terms and conditions governing the individual investments. The classification of these investments is consistent with prevailing financial reporting standards.

Impairment risk on property, plant and equipment and right-of-use assets (collectively, the "PPE")

Refer to Note 2 'Business impact and financial implications of the COVID-19 pandemic' for COVID-19 business impact, Note 3(m) 'Impairment of non-financial assets' and Note 4 'Significant accounting estimates and critical judgements' for the relevant accounting policies and a discussion of significant accounting estimates.

Risk

The global COVID-19 pandemic had significantly impacted the aviation industry, with knock-on effect on the MRO industry as at the reporting date. Accordingly, there are impairment indications affecting all the significant cash-generating units ("CGU").

Airframe and Line Maintenance

Line Maintenance – With many flights suspended globally, the near-term cash flows from Line Maintenance are negative. The medium-term cash flows projected by Management remain positive, as they assume international flights gradually return. In combining these assumptions to determine the recoverable amount, there is no impairment loss required on PPE deployed in Line Maintenance.

Airframe Maintenance – With transformation initiatives underway, the Group's operational and financial performance for Airframe Maintenance had improved during the year, as compared to the previous year. In carrying out the cash flow forecasts, Management has assumed continuing cost synergies and productivity gain to be reaped from these initiatives. On this basis, the recoverable amounts of Airframe Maintenance are in excess of the carrying amounts of PPE deployed in Airframe Maintenance.

Fleet Management – Management assesses the economic performance of contracts which existed at the year-end, and found no impairment loss necessary for the carrying amount of PPE deployed in Fleet Management.

Our response

We assessed the appropriateness of identification of CGUs and related non-financial assets deployed therein.

We reviewed the basis and methodology used to derive the recoverable amounts of the CGUs.

We assessed the key assumptions used in the cash flow projections, in particular, the forecast cash flow effects in the near-term brought by COVID-19, impacting the recoverable amounts of these CGUs. Other relevant assumptions include revenue growth rates, operating costs, gross profit margins, discount rates, terminal growth rates, as well as cost synergies and productivity gain unique to the Group.

We compared Management assumptions to past historical performance, current developments to the COVID-19 situation, planned productivity and cost initiatives, and other market data for the MRO industry.

We stress-tested the assumptions made by Management by reducing the growth estimates over revenue and gross profit margins.

Impairment risk on property, plant and equipment and right-of-use assets (collectively, the "PPE") (continued)

Risk	Our response
Engine and Component These are held by the Group's equity-accounted investees. No impairment losses on PPE were recognised in the books of these investees during the year. After equity accounting, Management considered whether any additional impairment losses were needed. As there was no objective evidence of any significant financial difficulties faced by these investees, no additional impairment loss on these equity-accounted investees after equity accounting is considered necessary. The cash flow forecasts prepared by Management to determine the recoverable amounts of these CGUs involve professional judgement, and the assumptions applied thereon are subject to estimation uncertainties.	

Findings

The Group has a process of identifying and reviewing the CGUs for impairment testing. The assumptions used in the discounted cash flow projections extend to forecast effects from the global COVID-19 pandemic. The COVID-19 assumptions embedded into the overall recoverable amount computations, in particular, the limiting of negative cash flows from Line Maintenance to the near-term period, appear reasonable given the circumstances up to and as at the balance sheet date. However, any post balance sheet effects that COVID-19 may have on the recoverable amounts of the CGUs in question cannot be, and have not been incorporated into the Group's financial statements given how rapidly events will continue to evolve well after the date of this report.

Recognition of revenue and profits on long-term contracts

Refer to Note 3(s) 'Revenue' and Note 4 'Significant accounting estimates and critical judgements' for the relevant accounting policies and a discussion of significant accounting estimates.

Risk

The Group's contract revenues are derived mainly from airframe maintenance and component overhaul services and fleet management (the "MRO services").

The MRO services, embedding materials and labour, represent one single performance obligation. Such performance obligations are continuously transferred to customers over time. Revenue is measured using the input method.

The input method involves cost and man-hour estimates. Actual man-hours incurred representing revenue may however be subject to negotiation with customers in subsequent periods.

Any variable consideration arising from variation orders are also subject to customers' approval.

The equity-accounted investees involved in engine and component repairs also use the input method to determine revenue earned over time.

Our response

We tested the controls designed and implemented by the Group relating to contract evaluation and authorisation, review and approval of project costing, and verification of input method used to measure revenue.

We reviewed the contractual terms of customer contracts to identify the performance obligations, and assessed how the fair value of revenue has been recognised and measured.

We challenged Management's use of cost and man-hour estimates, and tested them by reference to historical cost experience of comparable contracts. We also checked for the consistent application of the input method used to recognise revenue over time by group entities.

We verified the data used in the input method and any variable consideration to relevant supporting documents.

We assessed the Group's disclosure of the nature, timing and fulfilment of performance obligations and the related revenue recognition policies, alongside with the movements in contract assets and contract liabilities.

Findings

We found Management approach towards revenue recognition to be balanced, as revenue-constraint test is applied on revenue earned that is subject to customer negotiation and subsequent approval.

Risk of counterparty credit default

Refer to Note 2 'Business impact and financial implications of the COVID-19 pandemic' for COVID-19 business impact, Note 3(I)(v) 'Impairment of financial instruments', and Note 4 'Significant accounting estimates and critical judgements' for the relevant accounting policies.

Risk

At 31 March 2020, outstanding trade receivables, contract assets and amounts owing by related parties amounted to $346,617,000, net of credit loss allowance of $12,784,000.

The COVID-19 pandemic has resulted in economic uncertainties and market volatility in the aviation sector. The airlines are the Group's customers with cash conservation as their top priority.

The determination of the credit loss allowances on the outstanding receivables, including an assessment of the customers which are credit-impaired, requires professional judgement. Assumptions applied to estimate the credit loss allowances include customers' past payment trends, adjusted for current market conditions and forward-looking information.

Our response

We reviewed Management's ageing and credit analysis of the Group's trade receivables, customer contract assets and amounts owing by related parties including the credit-impaired ones.

We assessed the Group's measurement of the expected credit losses.

We tested the probability default factor used by Management on certain of its customers, and the allowance loss matrix by age group for the remaining customers, in the determination of the credit loss allowances booked.

We assessed the adequacy of disclosures in describing the areas of judgement and estimation uncertainties involving recoverability of trade debtors, customer contract assets and amounts owing by related parties.

Findings

The Group has prescribed process to recognise expected credit losses from trade debtors, customer contract assets and amounts owing by related parties. We observed the estimate on expected credit losses formed by Management include the expected effects on the Group's customers caused by the COVID-19 pandemic that have only recently surfaced. Any post balance sheet effects that COVID-19 may have on the recoverability of these counterparty balances, however, cannot be, and have not been incorporated into the Group's financial statements given how rapidly events will continue to evolve well after the date of this report.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for *FY19/20 at a Glance, Chairman's Statement, The Year in Review, Business Segments, Corporate Governance,* and *Shareholding Statistics* ('the Reports'), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Kenny Tan Choon Wah.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 May 2020