

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 2021 (IN \$ MILLION)**

	The Group		The Group	
	2 nd Half 2020-21	2 nd Half 2019-20	2020-21	2019-20
REVENUE	220.0	481.4	443.0	994.1
EXPENDITURE				
Staff costs	103.5	232.5	209.0	481.4
Material costs	30.4	59.3	60.5	128.5
Depreciation	31.5	36.9	67.8	72.8
Amortisation of intangible assets	1.7	1.7	3.4	3.3
Impairment of property, plant and equipment	–	4.3	–	4.3
Company accommodation	5.7	9.7	11.7	22.6
Subcontract costs	9.0	54.9	33.0	110.1
Other operating expenses	36.0	51.7	82.6	103.4
	<u>217.8</u>	<u>451.0</u>	<u>468.0</u>	<u>926.4</u>
OPERATING PROFIT/(LOSS)	2.2	30.4	(25.0)	67.7
Interest income	1.2	4.7	3.9	10.4
Finance charges	(1.4)	(1.8)	(2.9)	(3.8)
Surplus/(Loss) on disposal of property, plant and equipment and intangible assets	0.3	0.1	(5.0)	2.5
Impairment of non-financial assets	(13.3)	–	(48.3)	–
Surplus on disposal of a subsidiary company	2.0	–	2.0	–
Impairment of an associated company	–	–	(0.2)	–
Loss on liquidation of an associated company	–	(0.2)	–	(0.2)
Share of profits of associated companies, net of tax	12.2	50.3	25.7	83.4
Share of (loss)/profit of a joint venture company, net of tax	(0.7)	24.2	14.2	44.5
	<u>2.5</u>	<u>107.7</u>	<u>(35.6)</u>	<u>204.5</u>
PROFIT/(LOSS) BEFORE TAXATION	2.5	107.7	(35.6)	204.5
Taxation	5.1	(4.0)	16.0	(14.0)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	7.6	103.7	(19.6)	190.5
PROFIT/(LOSS) ATTRIBUTABLE TO: OWNERS OF THE PARENT	7.8	106.2	(11.2)	193.8
Non-controlling interests	(0.2)	(2.5)	(8.4)	(3.3)
	<u>7.6</u>	<u>103.7</u>	<u>(19.6)</u>	<u>190.5</u>
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)	0.69	9.48	(1.00)	17.30
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	0.69	9.45	(1.00)	17.26

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

	The Group		The Group	
	2 nd Half 2020-21	2 nd Half 2019-20	2020-21	2019-20
	\$M	\$M	\$M	\$M
Impairment loss (reversal)/allowance for trade receivables, contract assets and amounts owing by related parties	(3.3)	9.2	2.0	10.9
Exchange loss/(gain), net	0.1	(1.5)	4.2	(2.8)
Underprovision of tax in respect of prior year	0.5	0.4	0.6	0.4
Provision for obsolete stocks, net	1.4	0.5	2.6	2.3

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (IN \$ MILLION)

	The Group		The Group	
	2 nd Half 2020-21	2 nd Half 2019-20	2020-21	2019-20
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	7.6	103.7	(19.6)	190.5
OTHER COMPREHENSIVE INCOME				
<u>Item that will not be reclassified to profit or loss:</u>				
Actuarial loss on remeasurement of defined benefit plan	(0.1)	(1.1)	(0.1)	(1.1)
	<u>(0.1)</u>	<u>(1.1)</u>	<u>(0.1)</u>	<u>(1.1)</u>
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation on foreign operations	(13.2)	22.1	(41.0)	36.1
Realisation of foreign currency translation reserves on liquidation of an associated company	–	0.2	–	0.2
Realisation of foreign currency translation reserves on disposal of a subsidiary company	(0.1)	–	(0.1)	–
Net fair value adjustment on cash flow hedges	(1.4)	1.3	(2.7)	2.0
Share of other comprehensive income of associated/joint venture companies	2.5	(6.5)	9.5	(10.2)
	<u>(12.2)</u>	<u>17.1</u>	<u>(34.3)</u>	<u>28.1</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX	(12.3)	16.0	(34.4)	27.0
TOTAL COMPREHENSIVE INCOME	(4.7)	119.7	(54.0)	217.5
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(4.3)	121.5	(44.6)	219.4
Non-controlling interests	(0.4)	(1.8)	(9.4)	(1.9)
	<u>(4.7)</u>	<u>119.7</u>	<u>(54.0)</u>	<u>217.5</u>

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (IN \$ MILLION)**

	The Company		The Company	
	2 nd Half 2020-21	2 nd Half 2019-20	2020-21	2019-20
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	5.6	73.6	(52.2)	150.0
OTHER COMPREHENSIVE INCOME				
Other comprehensive income, net of tax				
<u>Item that will not be reclassified to profit or loss:</u>				
Actuarial loss on remeasurement of defined benefit plan	–	(0.4)	–	(0.4)
	–	(0.4)	–	(0.4)
<u>Item that may be reclassified subsequently to profit or loss:</u>				
Net fair value adjustment on cash flow hedges	(1.4)	1.3	(2.7)	2.0
	(1.4)	1.3	(2.7)	2.0
OTHER COMPREHENSIVE INCOME, NET OF TAX	(1.4)	0.9	(2.7)	1.6
TOTAL COMPREHENSIVE INCOME	4.2	74.5	(54.9)	151.6

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 2021 (IN \$ MILLION)

	The Group		The Company	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	420.0	420.0	420.0	420.0
Treasury shares	(9.8)	(13.7)	(9.8)	(13.7)
Capital reserve	2.7	2.8	2.7	2.8
Share-based compensation reserve	4.8	5.4	4.8	5.4
Foreign currency translation reserve	(23.8)	16.0	–	–
Fair value reserve	(2.2)	(8.7)	0.7	3.4
Equity transaction reserve	(2.2)	(4.5)	–	–
General reserve	1,144.1	1,211.5	786.2	894.5
	1,533.6	1,628.8	1,204.6	1,312.4
NON-CONTROLLING INTERESTS	10.6	32.2	–	–
TOTAL EQUITY	1,544.2	1,661.0	1,204.6	1,312.4
NON-CURRENT LIABILITIES				
Deferred taxation	1.2	18.5	1.4	17.9
Long-term lease liabilities	52.5	77.9	45.9	69.7
Long-term bank loan	2.8	7.3	–	–
	56.5	103.7	47.3	87.6
	1,600.7	1,764.7	1,251.9	1,400.0
Represented by :				
PROPERTY, PLANT AND EQUIPMENT	170.1	231.3	131.8	177.0
RIGHT-OF-USE ASSETS	71.3	97.0	64.1	79.2
INTANGIBLE ASSETS	31.7	51.9	9.1	12.8
SUBSIDIARY COMPANIES	–	–	126.7	147.0
ASSOCIATED COMPANIES	431.8	457.4	190.6	216.7
JOINT VENTURE COMPANY	170.2	159.2	61.9	61.9
PREPAYMENTS AND OTHER DEBTORS	8.7	10.6	–	6.0
CURRENT ASSETS				
Trade debtors	34.8	60.3	26.2	44.1
Contract assets	101.6	234.7	93.7	197.5
Prepayments and other debtors	42.0	24.7	33.4	17.6
Amounts owing by immediate holding company	68.6	53.5	68.4	52.8
Amounts owing by related parties	18.9	51.6	28.4	75.0
Inventories	35.1	39.4	24.0	25.3
Short-term deposits	521.5	480.4	508.2	467.7
Cash and bank balances	94.5	39.3	66.5	6.6
	917.0	983.9	848.8	886.6
Assets held for sale	9.0	14.2	9.0	14.2
	926.0	998.1	857.8	900.8
Less:				
CURRENT LIABILITIES				
Trade and other creditors	156.6	177.5	137.5	132.4
Contract liabilities	11.3	16.4	11.1	16.4
Lease liabilities	21.7	21.3	20.4	19.7
Amounts owing to related parties	2.8	0.7	12.7	13.6
Bank loans	7.1	5.9	–	–
Tax payable	9.6	19.0	8.4	19.3
	209.1	240.8	190.1	201.4
NET CURRENT ASSETS	716.9	757.3	667.7	699.4
	1,600.7	1,764.7	1,251.9	1,400.0

**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 2021		As at 31 Mar 2020	
Secured	Unsecured	Secured	Unsecured
–	7.1	–	5.9

Amount repayable after one year

As at 31 Mar 2021		As at 31 Mar 2020	
Secured	Unsecured	Secured	Unsecured
–	2.8	–	7.3

Details of any collateral

Excluded in the borrowings above are lease liabilities of \$74.2 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 2021 (IN \$ MILLION)**

The Group	
2020-21	2019-20

CASH FLOW FROM OPERATING ACTIVITIES

(Loss)/Profit before taxation	(35.6)	204.5
Adjustments for:		
Depreciation	67.8	72.8
Amortisation of intangible assets	3.4	3.3
Impairment of property, plant and equipment	–	4.3
Impairment loss allowance for trade receivables, contract assets and amounts owing by related parties	2.0	10.9
Share-based compensation expense	3.2	4.0
Rent concessions	(2.8)	–
Unrealised exchange differences	4.2	(2.8)
Interest income	(3.9)	(10.4)
Finance charges	2.9	3.8
Loss/(Surplus) on disposal of property, plant and equipment and intangible assets	5.0	(2.5)
Loss on liquidation of an associated company	–	0.2
Surplus on disposal of a subsidiary company	(2.0)	–
Impairment of an associated company	0.2	–
Impairment of non-financial assets	48.3	–
Share of profits of associated and joint venture companies, net of tax	(39.9)	(127.9)
Operating profit before working capital changes	52.8	160.2
(Increase)/Decrease in debtors	(3.9)	18.3
Decrease/(Increase) in contract assets	131.0	(51.4)
Decrease/(Increase) in inventories	3.4	(3.8)
Decrease in creditors	(17.7)	(9.9)
Decrease in contract liabilities	(5.1)	(17.1)
(Increase)/Decrease in amounts owing by immediate holding company	(17.0)	38.0
Decrease/(Increase) in amounts owing by related parties, net	35.0	(25.1)
Cash generated from operations	178.5	109.2
Income taxes paid	(12.7)	(18.1)
NET CASH PROVIDED BY OPERATING ACTIVITIES	165.8	91.1

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (IN \$ MILLION)**

	The Group	
	2020-21	2019-20
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(15.2)	(36.8)
Purchase of intangible assets	(5.2)	(6.8)
Proceeds from disposal of property, plant and equipment and intangible assets	2.6	6.3
Proceeds from liquidation of an associated company	–	5.1
Proceeds from disposal of a subsidiary company, net of cash disposed of	5.3	–
Investment in associated companies	–	(0.3)
Interest received from deposits	5.9	10.9
Dividends received from associated and joint venture companies	29.5	84.0
NET CASH PROVIDED BY INVESTING ACTIVITIES	22.9	62.4
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(56.1)	(123.2)
Dividends paid by subsidiary companies to non-controlling interests	(0.3)	(1.3)
Acquisition of non-controlling interests without change in control	(3.1)	–
Finance charges paid	(0.3)	(0.6)
Repayment of lease liabilities	(27.5)	(27.5)
Proceeds from borrowings	0.7	–
Repayment of borrowings	(3.2)	(6.8)
NET CASH USED IN FINANCING ACTIVITIES	(89.8)	(159.4)
NET CASH INFLOW/(OUTFLOW)	98.9	(5.9)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		
	519.7	521.6
Effect of exchange rate changes	(2.6)	4.0
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	616.0	519.7
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	521.5	480.4
Cash and bank balances	94.5	39.3
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	616.0	519.7

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 2021 (IN \$ MILLION)**

The Group	Attributable to Owners of the Parent									Non-controlling interests	Total Equity
	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total		
Balance at 1 April 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
Loss for the financial year	-	-	-	-	-	-	-	(11.2)	(11.2)	(8.4)	(19.6)
Actuarial loss on remeasurement of defined benefit plan	-	-	-	-	-	-	-	(0.1)	(0.1)	*	(0.1)
Foreign currency translation on foreign operations	-	-	-	-	(40.0)	-	-	-	(40.0)	(1.0)	(41.0)
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	-	-	-	-	-	(2.7)	-	-	(2.7)	-	(2.7)
Share of other comprehensive income of associated/joint venture companies	-	-	-	-	0.3	9.2	-	-	9.5	-	9.5
Other comprehensive income of the year, net of tax	-	-	-	-	(39.8)	6.5	-	(0.1)	(33.4)	(1.0)	(34.4)
Total comprehensive income for the financial year	-	-	-	-	(39.8)	6.5	-	(11.3)	(44.6)	(9.4)	(54.0)
Share-based compensation expense	-	-	-	3.2	-	-	-	-	3.2	-	3.2
Share awards released	-	3.8	-	(3.8)	-	-	-	-	-	-	-
Treasury shares reissued pursuant to equity compensation plans	-	0.1	(0.1)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(56.1)	(56.1)	(0.3)	(56.4)
Total contributions by and distributions to owners	-	3.9	(0.1)	(0.6)	-	-	-	(56.1)	(52.9)	(0.3)	(53.2)
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	2.3	-	2.3	(6.4)	(4.1)
Disposal of a subsidiary with non-controlling interest	-	-	-	-	-	-	-	*	*	(5.5)	(5.5)
Total changes in ownership interests in subsidiary companies	-	-	-	-	-	-	2.3	*	2.3	(11.9)	(9.6)
Balance at 31 March 2021	420.0	(9.8)	2.7	4.8	(23.8)	(2.2)	(2.2)	1,144.1	1,533.6	10.6	1,544.2

* Amount less than \$0.1M

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

The Group	Attributable to Owners of the Parent									Non-controlling interests	Total Equity
	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Foreign currency translation reserve	Fair value reserve	Equity transaction reserve	General reserve	Total		
Balance at 1 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/(loss) 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 on foreign operations	-	-	-	-	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 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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (IN \$ MILLION)**

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2020	420.0	(13.7)	2.8	5.4	3.4	894.5	1,312.4
Loss for the financial year	–	–	–	–	–	(52.2)	(52.2)
Other comprehensive income for the year, net of tax:							
Net fair value adjustment on cash flow hedges	–	–	–	–	(2.7)	–	(2.7)
Total comprehensive income for the financial year	–	–	–	–	(2.7)	(52.2)	(54.9)
Share-based compensation expense	–	–	–	3.2	–	–	3.2
Share awards released	–	3.8	–	(3.8)	–	–	–
Treasury shares reissued pursuant to equity compensation plans	–	0.1	(0.1)	–	–	–	–
Dividends	–	–	–	–	–	(56.1)	(56.1)
Total contributions by and distributions to owners	–	3.9	(0.1)	(0.6)	–	(56.1)	(52.9)
Balance at 31 March 2021	420.0	(9.8)	2.7	4.8	0.7	786.2	1,204.6

**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

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 <u>Ordinary Shares</u> Balance at 1 April 2020 and 31 March 2021	1,124,116,360	420.0

As at 31 March 2021, the Company has an issued share capital of 1,124,116,360 ordinary shares (31 March 2020: 1,124,116,360 ordinary shares) of which 2,713,774 were held by the Company as treasury shares (31 March 2020: 3,802,777). The treasury shares held represents 0.2% (31 March 2020: 0.3%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 March 2021 and 31 March 2020.

(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 2021, the number of outstanding shares granted under the Company's RSP and PSP were 2,291,459 (31 March 2020: 2,099,908) and 878,000 (31 March 2020: 641,987) respectively. The movement of these share awards during the financial year ended 31 March 2021 is as follows:

RSP

Date of grant	Balance at 01.04.2020/ Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2021
07.07.2017	345,884	–	–	(345,884)	–
06.07.2018	616,924	–	–	(333,922)	283,002
05.07.2019	1,137,100	(227,420)	(14,635)	(331,368)	563,677
07.07.2020	1,454,160	–	(17,280)	–	1,436,880
04.01.2021	7,900	–	–	–	7,900
Total	3,561,968	(227,420)	(31,915)	(1,011,174)	2,291,459

* 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 01.04.2020/ Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2021
07.07.2017	193,287	(110,175)	(5,283)	(77,829)	–
06.07.2018	175,300	–	–	–	175,300
05.07.2019	273,400	–	–	–	273,400
07.07.2020	422,200	–	–	–	422,200
04.01.2021	7,100	–	–	–	7,100
Total	1,071,287	(110,175)	(5,283)	(77,829)	878,000

* 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”)

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 01.04.2020/ Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2021
05.07.2019	173,278	–	–	–	173,278
07.07.2020	155,616	–	–	–	155,616
Total	328,894	–	–	–	328,894

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

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

As at 31 March 2021, the Company has an issued share capital of 1,121,402,586 ordinary shares (31 March 2020: 1,120,313,583) excluding 2,713,774 ordinary shares (31 March 2020: 3,802,777) 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 (2019-20: nil). The Company transferred 1,089,003 treasury shares to employees on vesting of share-based incentive plans (2019-20: 1,203,197 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 2020	3,802,777	13.7
Treasury shares transferred on vesting of share-based incentives plans	(1,089,003)	(3.9)
Balance at 31 March 2021	2,713,774	9.8

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 2021 and 31 March 2020. There were no sales, transfers, cancellation and/or use of subsidiary holdings for the financial year ended 31 March 2021.

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 2020 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 2020. The adoption of these FRS and INT FRS has no significant impact to the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	2 nd Half 2020-21	2 nd Half 2019-20	2020-21	2019-20
Earnings/(Loss) per share (cents)				
- Basic *	0.69	9.48	(1.00)	17.30
- Diluted #	0.69	9.45	(1.00)	17.26

* 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 21	As at 31 Mar 20	As at 31 Mar 21	As at 31 Mar 20
Net asset value per share (cents)	136.8	145.4	107.4	117.2

- 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 2020-21

Group revenue of \$443.0 million for the financial year ended 31 March 2021 was \$551.1 million (-55.4%) lower than in the previous financial year as low flight activities and widespread grounding of aircraft resulted in a sharp and severe reduction in business volume.

Group expenditure was also lower year-on-year, falling from \$926.4 million to \$468.0 million (-49.5%), due to grants from government support schemes and cost-saving measures. Staff costs and subcontract costs fell due to actions taken to match manpower requirements to lower business volume. Government wage support resulted in a further reduction in manpower costs. Non-manpower related costs fell due to tight control over expenses and deferment of non-critical expenses. As such reduction in expenditure could not keep pace with the sharp decline in revenue, the Group's operating performance deteriorated from a profit of \$67.7 million in the previous financial year to a loss of \$25.0 million in the financial year ended 31 March 2021.

Share of profits of associated and joint venture companies of \$39.9 million was \$88.0 million (-68.8%) lower year-on-year, with a positive contribution of \$49.8 million from the engine and component segment but a loss of \$9.9 million from the airframe and line maintenance segment. The decline in performance was largely due to reduction in business volume as a result of low flying hours and extension of aircraft maintenance intervals. In addition, a one-time increase in tax provision in the fourth quarter¹ contributed to the reduction in the share of profits from the engine and component segment.

The adverse impact of COVID-19 on the aerospace industry also resulted in provisions being made for impairment of asset values during the financial year, the most significant being a \$35.0 million impairment provision made on Base Maintenance unit's assets and an \$11.4 million impairment provision on the investment in an engine programme.

The Group recorded a net loss of \$11.2 million for the financial year ended 31 March 2021, compared to a profit of \$193.8 million in the previous year.

The decline of the Group's financial performance was substantially cushioned by grants from government support schemes, most significantly, the Jobs Support Scheme ("JSS"). Without this support, the Group would have recorded a loss of \$192.4 million.

Basic loss per share was 1.00 cent for the financial year.

Second Half FY2020-21

With the pace of recovery of flight activities remaining slow, Group revenue of \$220.0 million in the second half was \$261.4 million (-54.3%) lower year-on-year. Expenditure was \$217.8 million, a decline of \$233.2 million (-51.7%), mainly due to lower staff, subcontract and material costs. Cost-saving measures implemented early in the financial year continued into the second half.

Operating profit for the period was \$2.2 million, \$28.2 million (-92.8%) lower year-on-year.

Share of profits from associated and joint venture companies amounted to \$11.5 million compared to \$74.5 million last year (-84.6%). Contributions from the engine and component segment were \$66.5 million lower, in part due to a one-time increase in tax provision¹. Contributions from the airframe and line maintenance segment increased by \$3.5 million.

Group net profit declined by \$98.4 million (-92.7%) to \$7.8 million for the second half of the year.

Basic earnings per share was 0.69 cents for the period.

GROUP FINANCIAL POSITION

As at 31 March 2021, equity attributable to owners of the parent was \$1,533.6 million, a reduction of \$95.2 million (-5.8%) from 31 March 2020, due to the payment of the final dividend in respect of FY2019-20, a loss in the foreign currency translation reserve due to the weakening of the US dollar and losses incurred for the period.

Total assets stood at \$1,809.8 million at 31 March 2021, a decline of \$195.7 million (-9.8%) from a year ago.

Low borrowings and a cash balance of \$616.0 million at 31 March 2021 place the Group in a strong position to face the continuing market uncertainty.

Net asset value per share at 31 March 2021 was 136.8 cents.

¹ *Staff rationalization measures and impact of the COVID-19 pandemic affected certain qualifying criteria of the tax incentive scheme at these associated companies. In the absence of a waiver for these criteria, a one-time tax charge was made to revise the tax provision from the concessionary tax rate to the prevailing corporate tax rate.*

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

The start of the financial year saw the most severe impact of the COVID-19 pandemic on flight activities with a record low number of flights handled in April and May 2020. Since then, the number of flights handled has been recovering, albeit at a slow pace. All business segments were gravely affected throughout the financial year.

For the financial year FY2020-21, the total number of flights handled by our Line Maintenance unit in Singapore was only 18.5% of the flights handled in the previous year. At Base Maintenance, fewer aircraft maintenance checks were performed as low flight activities and the grounding of aircraft by airlines resulted in the extension of maintenance intervals and hence lower base maintenance activities. Work volume for our fleet management business and engine and component joint venture companies also fell sharply as a result of low flight hours.

With the progressive step-down in Government support from the JSS, cost management remains a high priority. We have maintained measures taken earlier to mitigate manpower surpluses and manage operating cost, and will continue to be prudent with capital expenditure, without losing focus on opportunities to invest in capability and capacity expansion to lay the foundation for future recovery and growth.

Initiatives under Phase 2 of our Transformation programme to enhance our competitiveness in the post-COVID-19 landscape have gained traction. The adoption of Lean methodology to optimise certain operational processes has achieved double-digit improvements in productivity in the pilot phase. Employees are being equipped with Lean skillsets to lead more Lean projects across the organisation as part of transformation efforts. Planned investments over the next three years in digitalisation and automation, and the development of new technology-enabled products and services, will also enhance efficiency and create value for customers.

A new Engine Services Division ("ESD") was formed to consolidate, develop and grow the Company's engine services business. ESD will provide a comprehensive suite of engine-related value-added services which will increase our participation in the engine MRO value chain, strengthen our engine services ecosystem and our value proposition to customers.

The Company continues to adopt the necessary safe management measures to ensure workplace safety and the well-being of all employees. Currently, over 80% of our workforce has been vaccinated against COVID-19. Employees have been strongly encouraged to receive the vaccination.

The profound impact of the COVID-19 pandemic on the aviation industry has put our resilience, collective strength and agility to the test over the last financial year. With the solidarity and tenacity of our employees and unions, the SIAEC Group has judiciously strengthened safety measures and processes, transformed in response to the new MRO landscape and supported our airline customers, Original Equipment Manufacturer (OEM) partners and the aviation community.

OUTLOOK

Vaccination programmes across the world continue to gather pace, while bilateral discussions between countries to implement air travel bubbles and green lanes have raised optimism for a sustained recovery. Growing adoption by countries and airlines of the International Air Transport Association (IATA) Travel Pass, which integrates COVID-19 test results with passengers' boarding credentials will hopefully strengthen public confidence as air travel resumes. These encouraging developments for the safe resumption of international air travel bolster prospects for a more meaningful increase in flight frequencies and the subsequent demand for MRO services.

The path to recovery of the aviation and aerospace sector, however, is still fraught with risks. The emergence of new COVID-19 strains, concerns over the efficacy of the vaccines against these variants and a resurgence of infections are driving some governments to implement renewed lockdowns.

Government support, especially the JSS, has been critical during these difficult times. The JSS support for aerospace companies has been extended for a further six months, albeit at reduced levels. Prudent cash management continues to be a major priority.

Amid the uncertainties and challenging operating environment, we will continue in our pursuit to emerge stronger through investment in new capabilities, technologies and services to expand our market reach. We will also accelerate the pace of our digitalisation, automation and adoption of Lean frameworks under our ongoing Transformation programme.

To position ourselves for the post COVID-19 aviation landscape, we will continue the diligent review and rationalisation of our portfolio of companies as well as seek out new opportunities, such as the recently-announced potential acquisition of SR Technics Malaysia, to expand our capabilities and geographic reach.

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? 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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

The Board will not be recommending a dividend for FY2020-21. COVID-19 has adversely impacted the Group's financial results. The Board has taken into consideration the losses incurred, the imperative to sustain the business through the continuing uncertainties, and the need to retain financial flexibility to pursue business opportunities.

13. Interested Person Transactions

(In \$ Million)

The aggregate value of all Interested Person Transactions ("IPTs") entered into during the Financial Year 2020-21 are as follows:

Name of Interested Person	Nature of relationship	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	Controlling shareholder of the Company	-	700.3*
SilkAir (Singapore) Pte Ltd	Wholly-owned subsidiaries of the Company's controlling shareholder	-	31.3
Scot TigerAir Pte Ltd		-	16.8
Airbus Asia Training Centre Pte Ltd	Associate of SIAEC's controlling shareholder	-	0.9
Non-listed Associates of Temasek Holdings (Private) Limited ("Temasek")			
Aetos Training Academy Pte Ltd	Associates of Temasek	-	0.2
Synergy FMI Pte Ltd		-	1.3
SMM Pte Ltd		-	36.8
SATS Group			
SATS Ltd	Associate of Temasek	-	2.3
Singtel Group			
NCS Communication Engineering Pte Ltd	Associate of Temasek	-	0.1
Total		-	790.0

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

Notes:

- 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.
- 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 2021 and 31 March 2020 and certain assets information of the operating segments as at those dates.

2020-21 (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	428.3	14.7	443.0	–	443.0
Associated companies ⁺	88.0	2,077.6	2,165.6	(2,165.6)	–
Joint venture company ⁺	–	1,677.9	1,677.9	(1,677.9)	–
Inter-segment revenue	–	0.9	0.9	(0.9)	–
	<u>516.3</u>	<u>3,771.1</u>	<u>4,287.4</u>	<u>(3,844.4)</u>	<u>443.0</u>
SEGMENT RESULTS					
Segment results					
Company and subsidiaries	(20.8)	(4.2)	(25.0)	–	(25.0)
Associated companies ⁺	(26.8)	132.0	105.2	(105.2)	–
Joint venture company ⁺	–	40.7	40.7	(40.7)	–
	<u>(47.6)</u>	<u>168.5</u>	<u>120.9</u>	<u>(145.9)</u>	<u>(25.0)</u>
Interest income					3.9
Impairment of non-financial assets					(48.3)
Impairment of an associated company					(0.2)
Surplus on disposal of a subsidiary company					2.0
Share of profits of associated companies, net of tax				25.7	25.7
Share of profits of joint venture company, net of tax				14.2	14.2
Other unallocated amounts					<u>(7.9)</u>
Loss before taxation					<u>(35.6)</u>
Taxation					<u>16.0</u>
Loss for the financial year					<u><u>(19.6)</u></u>
Other segment items					
Depreciation	66.6	1.2	67.8	–	67.8
Amortisation of intangible assets	1.8	1.6	3.4	–	3.4
Segment assets					
Property, plant and equipment	164.5	5.6	170.1	–	170.1
Right-of-use assets	70.2	1.1	71.3	–	71.3
Intangible assets	9.2	22.5	31.7	–	31.7
Investment in associated/ joint venture companies	32.6	569.4	602.0	–	602.0
Prepayments and other debtors (non-current)	–	8.7	8.7	–	8.7
Other unallocated assets					<u>926.0</u>
Total assets	<u>276.5</u>	<u>607.3</u>	<u>883.8</u>	<u>–</u>	<u>1,809.8</u>

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)	–
	<u>1,108.2</u>	<u>5,234.0</u>	<u>6,342.2</u>	<u>(5,348.1)</u>	<u>994.1</u>
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)	–
	<u>60.1</u>	<u>301.4</u>	<u>361.5</u>	<u>(293.8)</u>	<u>67.7</u>
Interest income					
Loss on liquidation of an associated company					10.4
Share of profits of associated companies, net of tax				83.4	83.4
Share of profits of joint venture company, net of tax				44.5	44.5
Other unallocated amounts					(1.3)
Profit before taxation					<u>204.5</u>
Taxation					(14.0)
Profit for the financial year					<u><u>190.5</u></u>
<u>Other segment items</u>					
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
<u>Segment assets</u>					
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	<u>378.6</u>	<u>628.8</u>	<u>1,007.4</u>	<u>–</u>	<u>2,005.5</u>

[†] 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:

(in \$ million)	Revenue*		Non-current assets 31 March	
	2020-21	2019-20	2020	2019
East Asia #	349.0	721.1	851.4	968.0
Europe ^	37.7	198.2	-	-
South West Pacific	4.5	20.2	-	-
Americas	24.7	16.5	32.4	39.4
West Asia and Africa	27.1	38.1	-	-
Total	443.0	994.1	883.8	1,007.4

* 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		
	2020-21	2019-20	Change
	\$M	\$M	%
Turnover reported for first half year	223.0	512.7	- 56.5%
(Loss)/Profit after tax reported for the first half year	(27.2)	86.8	n.m.
Turnover reported for second half year	220.0	481.4	- 54.3%
Profit after tax reported for the second half year	7.6	103.7	- 92.7%

n.m. – not meaningful

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)	2020-21	2019-20
Ordinary dividend		
- Interim	-	33.6
- Final	-	56.1
Total:	-	89.7

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
4 May 2021

Singapore Co. Regn. No.: 198201025C



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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 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 2021, 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 108.

In our opinion, the accompanying 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 2021 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.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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

Refer to Note 2 'Business impact and financial implications of the COVID-19 pandemic', Note 3(l) 'Impairment of non-financial assets' and Note 4 'Significant accounting estimates and critical judgements' together with the relevant accounting policies.

Risk

Our response

During the financial year, the COVID-19 pandemic on a global scale continued to severely impact the economic activities of the airframe maintenance, repair and component overhaul ("MRO") businesses, and other related businesses. Accordingly, there are indications that the PPE deployed across the Base Maintenance, Line Maintenance, Fleet Management units, and intangible assets from the Group's participative right in Engine Development Programme (collectively, the "Cash-generating units" or "CGUs"), may be impaired.

The recoverable amounts determined for these CGUs entail a high degree of judgement. Many countries around the world continue to impose travel restrictions amid the COVID-19 pandemic. The duration and severity of the global economic uncertainties together with the international travel restrictions that Management has considered in assessing the recoverable amounts of the individual CGUs are inherently difficult to estimate and involves a high degree of uncertainty.

Airframe and Line Maintenance

Airframe Maintenance – The Group recorded an impairment loss of \$35,000,000 on the carrying value of PPE during the year. The value-in-use calculation was prepared by Management to derive the recoverable amount. This calculation assumed a reduction in work volume for heavy maintenance at hangars, mitigated by certain cost-cutting measures.

We assessed the appropriateness of the identified CGUs and related non-financial assets.

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

We held discussions with senior management to understand the basis of the assumptions underpinning the assessment of the recoverable amount of the CGUs. These assumptions include the timing of recovery of flight operations and work volume of MRO activities for future periods, operating costs, gross profit margins and discount rates.

We evaluated these assumptions by comparing them to past historical performance, approved plans on cost mitigation measures, publicly available market reports on industry outlook and other market data for the MRO industry.

We stress-tested Management's key assumptions, by including additional scenarios that could possibly arise from the uncertain outlook for the aviation and MRO sectors.

We considered the appropriateness of disclosures in the financial statements in describing the inherent degree of subjectivity and key assumptions in the estimates.



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

Risk

Our response

Line Maintenance – No impairment loss on PPE was considered necessary by Management on the assumption of gradual lifting of international travel restrictions with flights returning to pre-pandemic levels that was incorporated in the value-in-use calculation.

Fleet Management – No impairment loss on PPE was considered necessary following a review of individual customer contracts, factoring in the contractual revenues secured and the financial performance of existing contracts.

Intangible asset - Deferred engine development costs

The Group has a participative right in an Engine Development Programme with Pratt and Whitney under the PurePower PW1200G Risk Revenue Sharing Programmes. As at 31 March 2021, the carrying costs capitalised were \$22,448,000, net of impairment loss of \$11,360,000. The impairment loss was recognised in current year's profit or loss following suspension of the SpaceJet programme.

Findings

The Group has a process of identifying and reviewing the CGUs for impairment testing. We found the key assumptions applied by Management in the cash flow forecasts, in particular, the recovery of flight operations, work volume of MRO activities and discount rates to be reasonable and consistent with corroborative market evidence. Our independent stress-test outcomes were not contradictory with the overall conclusion reached by Management. We also found the related disclosures in the financial statements to be appropriate.



Impairment risk on investments in subsidiaries, associated and joint venture companies

Refer to Note 3(l) 'Impairment of non-financial assets', Note 4 'Significant accounting estimates and critical judgements', Notes 19 and 20 - Investments in Subsidiaries and Associated companies, together with the relevant accounting policies.

Risk

The Company holds significant strategic investments with original equipment manufacturers and airlines by way of joint formation as subsidiaries, associated or joint venture companies. The COVID-19 pandemic has caused severe disruption to global economic activities, particularly in the aviation and aerospace industry. The recovery outlook remains uncertain and change to the MRO landscape is likely to accelerate.

The Company closely monitors the economic performance of its investments portfolio, including an assessment of the valuation of its investments. Such an assessment involves a high degree of management judgement and use of estimates.

During the year, the Company recorded significant impairment losses as follows:

\$22,804,000* for two subsidiaries following cessation of operations at one subsidiary and suspension of an engine development programme (refer to Key Audit Matter for "Impairment risk on PPE and Intangible Asset").

\$25,812,000* for an associated company after Management has determined that there is a significant decline in fair value due to plans to restructure the associated company's business model.

** Eliminated at Group level*

Findings

We found Management's appraisal of the recoverability of the Company's equity investments in subsidiaries, associates and joint venture companies to be appropriate. We also found the related disclosures in the financial statements to be relevant.

Our response

We reviewed Management's process for evaluation of valuation of its investment portfolio.

We held discussions with senior management to review the investees' business strategies and operating model, and their economic performance.

We evaluated Management assumptions supporting the valuation of the investments.

We considered the appropriateness of disclosures in the financial statements in describing the inherent degree of subjectivity and key assumptions in the estimates.



Recognition of revenue and profits on long-term contracts

Refer to Note 3(r) 'Revenue' and Note 4 'Significant accounting estimates and critical judgements' together with the relevant accounting policies.

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 obligation is 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 is also subject to customer approval.

Our response

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

We reviewed the contractual terms of customer contracts to identify performance obligations and assessed how the fair value of revenue has been recognised and measured, including any revenue-constraint applied by Management.

We challenged the cost and man-hour estimates used by Management and tested them by reference to historical cost experience of comparable contracts. We also reviewed the consistency of Management's application of the input method to recognise revenue over time.

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 related revenue recognition policies, alongside movements in contract assets and contract liabilities.

Findings

We found management's approach towards revenue recognition to be balanced.



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(k)(v) 'Impairment of financial instruments', Note 4 'Significant accounting estimates and critical judgements' together with the relevant accounting policies.

Risk

As at 31 March 2021, outstanding trade receivables, contract assets and amounts owing by related parties (collectively, the "trade receivables") amounted to \$155,325,000, net of credit loss allowance of \$11,404,000.

The Group's customers are airlines with cash conservation as their top priority, and this may limit their ability to pay in a timely manner. Credit-default risk has also heightened for counterparties in the aviation and aerospace sectors as a result of travel restrictions caused by the COVID-19 pandemic.

The determination of the credit loss allowances on the outstanding trade receivables, including the identification and assessment of which customers are credit-impaired, requires significant judgement. Assumptions applied to estimate the credit loss allowances include customers' historical 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, including the credit-impaired accounts.

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

We independently tested Management's allowance loss matrix by age group used for provisioning and cross-checked to probability default factors of individual customers and the aviation sector appropriate for credit loss allowances.

We assessed the appropriateness of disclosures in describing the areas of judgement and estimation uncertainty involving recoverability of trade receivables.

Findings

The Group has a prescribed process to recognise credit-impaired receivables and expected credit losses on trade receivables. The expected credit loss allowances created were found to be balanced.



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 *FY2020/21 At a Glance, Corporate Profile, Chairman's Statement, Corporate Calendar, Board of Directors, Key Executives, The Year in Review, Business Segments, Corporate Governance, Share Price and Turnover, 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
4 May 2021