SIA ENGINEERING COMPANY

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 2022 (IN $ MILLION)

	The Group		The Group	
	2nd Half 2021-22	2nd Half 2020-21	2021-22	2020-21
REVENUE	**302.6**	**220.0**	**566.1**	**443.0**
EXPENDITURE				
Staff costs	154.9	103.5	282.1	209.0
Material costs	42.1	30.4	80.8	60.5
Depreciation	29.6	31.5	59.8	67.8
Amortisation of intangible assets	1.8	1.7	3.5	3.4
Company accommodation	6.7	5.7	14.5	11.7
Subcontract costs	28.9	9.0	54.0	33.0
Other operating expenses	53.7	36.0	93.2	82.6
	317.7	217.8	587.9	468.0
OPERATING (LOSS)/PROFIT	**(15.1)**	**2.2**	**(21.8)**	**(25.0)**
Interest income	0.8	1.2	1.8	3.9
Finance charges	(1.4)	(1.4)	(2.6)	(2.9)
Surplus/(Loss) on disposal of property, plant and equipment and intangible assets	0.9	0.3	0.7	(5.0)
Impairment of non-financial assets	(8.4)	(13.3)	(8.4)	(48.3)
Surplus on disposal of a subsidiary company	–	2.0	–	2.0
Impairment of associated companies	(2.2)	–	(2.2)	(0.2)
Surplus on disposal of associated companies	2.6	–	2.6	–
Share of profits of associated companies, net of tax	28.3	12.2	49.7	25.7
Share of profit/(loss) of a joint venture company, net of tax	24.0	(0.7)	29.4	14.2
PROFIT/(LOSS) BEFORE TAXATION	**29.5**	**2.5**	**49.2**	**(35.6)**
Taxation	13.3	5.1	18.6	16.0
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**42.8**	**7.6**	**67.8**	**(19.6)**
PROFIT/(LOSS) ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	**42.6**	**7.8**	**67.6**	**(11.2)**
Non-controlling interests	0.2	(0.2)	0.2	(8.4)
	42.8	**7.6**	**67.8**	**(19.6)**
BASIC EARNINGS/(LOSS) PER SHARE (CENTS)	3.79	0.69	6.02	(1.00)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS)	3.78	0.69	6.00	(1.00)

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

	The Group		The Group	
	2nd Half 2021-22	2nd Half 2020-21	2021-22	2020-21
	$M	$M	$M	$M
Impairment loss (reversal)/allowance for trade receivables, contract assets and amounts owing by related parties	(0.1)	(3.3)	0.1	2.0
Net exchange loss/(gain)	0.3	0.1	(0.5)	4.2
(Over)/Underprovision of tax in respect of prior year	(1.4)	0.5	(7.8)	0.6
Provision for obsolete stocks, net	2.0	1.4	3.0	2.6

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (IN $ MILLION)

	The Group		The Group	
	2nd Half 2021-22	2nd Half 2020-21	2021-22	2020-21
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**42.8**	**7.6**	**67.8**	**(19.6)**
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified to profit or loss:				
Actuarial gain/(loss) on remeasurement of defined benefit plan	0.1	(0.1)	0.1	(0.1)
	0.1	(0.1)	0.1	(0.1)
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation on foreign operations	(4.3)	(13.2)	4.0	(41.0)
Realisation of foreign currency translation reserves on disposal of a subsidiary company	–	(0.1)	–	(0.1)
Net fair value adjustment on cash flow hedges	0.2	(1.4)	0.5	(2.7)
Share of other comprehensive income of associated/joint venture companies	2.5	2.5	1.8	9.5
	(1.6)	(12.2)	6.3	(34.3)
OTHER COMPREHENSIVE INCOME, NET OF TAX	**(1.5)**	**(12.3)**	**6.4**	**(34.4)**
TOTAL COMPREHENSIVE INCOME	**41.3**	**(4.7)**	**74.2**	**(54.0)**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	41.1	(4.3)	74.0	(44.6)
Non-controlling interests	0.2	(0.4)	0.2	(9.4)
	41.3	**(4.7)**	**74.2**	**(54.0)**

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (IN $ MILLION)

	The Company		The Company	
	2nd Half 2021-22	2nd Half 2020-21	2021-22	2020-21
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	**4.3**	**(15.0)**	**10.6**	**(52.2)**
OTHER COMPREHENSIVE INCOME				
Other comprehensive income, net of tax				
Item that may be reclassified subsequently to profit or loss:				
Net fair value adjustment on cash flow hedges	0.1	(1.4)	0.4	(2.7)
OTHER COMPREHENSIVE INCOME, NET OF TAX	**0.1**	**(1.4)**	**0.4**	**(2.7)**
TOTAL COMPREHENSIVE INCOME	**4.4**	**(16.4)**	**11.0**	**(54.9)**

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEETS AS AT 31 MARCH 2022 (IN $ MILLION)

	The Group		The Company	
	31 Mar 2022	**31 Mar 2021**	**31 Mar 2022**	**31 Mar 2021**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	420.0	420.0	420.0	420.0
Treasury shares	(5.8)	(9.8)	(5.8)	(9.8)
Capital reserve	1.5	2.7	1.5	2.7
Share-based compensation reserve	5.1	4.8	5.1	4.8
Foreign currency translation reserve	(19.8)	(23.8)	–	–
Fair value reserve	0.1	(2.2)	1.1	0.7
Equity transaction reserve	(2.2)	(2.2)	–	–
General reserve	1,211.8	1,144.1	796.8	786.2
	1,610.7	1,533.6	1,218.7	1,204.6
NON-CONTROLLING INTERESTS	10.6	10.6	–	–
TOTAL EQUITY	1,621.3	1,544.2	1,218.7	1,204.6
NON-CURRENT LIABILITIES				
Deferred tax liabilities	0.5	1.2	–	1.4
Lease liabilities	38.5	52.5	32.7	45.9
Long-term bank loan	–	2.8	–	–
	39.0	56.5	32.7	47.3
	1,660.3	**1,600.7**	**1,251.4**	**1,251.9**
Represented by :				
PROPERTY, PLANT AND EQUIPMENT	156.9	170.1	120.5	131.8
RIGHT-OF-USE ASSETS	63.0	71.3	56.8	64.1
INTANGIBLE ASSETS	32.8	31.7	11.9	9.1
SUBSIDIARY COMPANIES	–	–	135.1	126.7
ASSOCIATED COMPANIES	448.5	431.8	175.3	190.6
JOINT VENTURE COMPANY	202.8	170.2	61.9	61.9
DEFERRED TAX ASSETS	17.6	–	16.6	–
PREPAYMENTS AND OTHER DEBTORS	3.9	8.7	–	–
CURRENT ASSETS				
Trade debtors	35.4	34.8	24.3	26.2
Contract assets	124.5	101.6	118.7	93.7
Prepayments and other debtors	36.8	42.0	27.3	33.4
Amounts owing by immediate holding company	36.4	68.6	36.1	68.4
Amounts owing by related parties	20.7	18.9	26.8	28.4
Inventories	33.0	35.1	21.1	24.0
Short-term deposits	584.0	521.5	570.1	508.2
Cash and bank balances	41.5	94.5	13.5	66.5
	912.3	917.0	837.9	848.8
Assets held for sale	0.4	9.0	0.4	9.0
	912.7	926.0	838.3	857.8
Less:				
CURRENT LIABILITIES				
Trade and other creditors	127.9	156.6	108.9	137.5
Contract liabilities	12.7	11.3	12.6	11.1
Lease liabilities	28.5	21.7	27.3	20.4
Amounts owing to related parties	1.5	2.8	11.7	12.7
Bank loans	2.8	7.1	–	–
Tax payable	4.5	9.6	4.5	8.4
	177.9	209.1	165.0	190.1
NET CURRENT ASSETS	734.8	716.9	673.3	667.7
	1,660.3	**1,600.7**	**1,251.4**	**1,251.9**

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

Amount repayable in one year or less, or on demand

As at 31 Mar 2022		As at 31 Mar 2021	
Secured	Unsecured	Secured	Unsecured
–	2.8	–	7.1

Amount repayable after one year

As at 31 Mar 2022		As at 31 Mar 2021	
Secured	Unsecured	Secured	Unsecured
–	–	–	2.8

Details of any collateral

The borrowings above exclude lease liabilities of $67.0 million.

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 2022 (IN $ MILLION)

	The Group	
	2021-22	**2020-21**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	49.2	(35.6)
Adjustments for:		
Depreciation	59.8	67.8
Amortisation of intangible assets	3.5	3.4
Impairment loss allowance for trade receivables, contract assets and amounts owing by related parties	0.1	2.0
Share-based compensation expense	3.8	3.2
Rent concessions	(1.5)	(2.8)
Unrealised exchange differences	(0.9)	4.2
Interest income	(1.8)	(3.9)
Finance charges	2.6	2.9
(Surplus)/Loss on disposal of property, plant and equipment and intangible assets	(0.7)	5.0
Surplus on disposal of an associated company	(2.6)	–
Surplus on disposal of a subsidiary company	–	(2.0)
Impairment of an associated company	2.2	0.2
Impairment of non-financial assets	8.4	48.3
Share of profits of associated and joint venture companies, net of tax	(79.1)	(39.9)
Operating profit before working capital changes	**43.0**	**52.8**
Decrease/(Increase) in debtors	10.1	(3.9)
(Increase)/Decrease in contract assets	(22.9)	131.0
Decrease in inventories	2.1	3.4
Decrease in creditors	(28.1)	(17.7)
Increase/(Decrease) in contract liabilities	1.4	(5.1)
Decrease/(Increase) in amounts owing by immediate holding company	31.4	(17.0)
(Increase)/Decrease in amounts owing by related parties, net	(3.1)	35.0
Cash generated from operations	**33.9**	**178.5**
Income taxes paid	(4.7)	(12.7)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**29.2**	**165.8**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (IN $ MILLION)

	The Group	
	2021-22	**2020-21**
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(18.4)	(15.2)
Purchase of intangible assets	(4.9)	(5.2)
Proceeds from disposal of property, plant and equipment and intangible assets	1.6	2.6
Proceeds from disposal of an associated company, net of cash disposed of	3.8	–
Proceeds from disposal of a subsidiary company, net of cash disposed of	–	5.3
Interest received from deposits	1.8	5.9
Dividends received from associated companies	31.9	26.6
Dividends received from joint venture company	–	2.9
NET CASH PROVIDED BY INVESTING ACTIVITIES	**15.8**	**22.9**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital by a subsidiary company to non controlling interests	0.2	–
Dividends paid	–	(56.1)
Dividends paid by subsidiary companies to non-controlling interests	(0.4)	(0.3)
Acquisition of non-controlling interests without change in control	–	(3.1)
Finance charges paid	(0.3)	(0.3)
Repayment of lease liabilities	(28.1)	(27.5)
Proceeds from borrowings	–	0.7
Repayment of borrowings	(7.1)	(3.2)
NET CASH USED IN FINANCING ACTIVITIES	**(35.7)**	**(89.8)**
NET CASH INFLOW	**9.3**	**98.9**
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**616.0**	**519.7**
Effect of exchange rate changes	0.2	(2.6)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**625.5**	**616.0**
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	584.0	521.5
Cash and bank balances	41.5	94.5
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**625.5**	**616.0**

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 2022 (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 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**
Profit for the financial year	–	–	–	–	–	–	–	67.6	67.6	0.2	67.8
Actuarial gain on remeasurement of defined benefit plan	–	–	–	–	–	–	–	0.1	0.1	–	0.1
Foreign currency translation on foreign operations	–	–	–	–	4.0	–	–	–	4.0	*	4.0
Net fair value adjustment on cash flow hedges	–	–	–	–	–	0.5	–	–	0.5	–	0.5
Share of other comprehensive income of associated/joint venture companies	–	–	–	–	–	1.8	–	–	1.8	–	1.8
Other comprehensive income of the year, net of tax	–	–	–	–	4.0	2.3	–	0.1	6.4	*	6.4
Total comprehensive income for the financial year	–	–	–	–	**4.0**	**2.3**	–	**67.7**	**74.0**	**0.2**	**74.2**
Capital contribution	–	–	–	–	–	–	–	–	–	0.2	0.2
Share-based compensation expense	–	–	–	3.1	–	–	–	–	3.1	–	3.1
Share awards released	–	2.8	–	(2.8)	–	–	–	–	–	–	–
Treasury shares reissued pursuant to equity compensation plans	–	1.2	(1.2)	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–	(0.4)	(0.4)
Total contributions by and distributions to owners	**–**	**4.0**	**(1.2)**	**0.3**	**–**	**–**	**–**	**–**	**3.1**	**(0.2)**	**2.9**
Balance at 31 March 2022	**420.0**	**(5.8)**	**1.5**	**5.1**	**(19.8)**	**0.1**	**(2.2)**	**1,211.8**	**1,610.7**	**10.6**	**1,621.3**

* Amount less than $0.1M

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (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 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 liquidation of an associated 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 for 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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (IN $ MILLION)

The Company	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2021	**420.0**	**(9.8)**	**2.7**	**4.8**	**0.7**	**786.2**	**1,204.6**
Profit for the financial year	–	–	–	–	–	10.6	10.6
Other comprehensive income for the year, net of tax:							
Net fair value adjustment on cash flow hedges	–	–	–	–	0.4	–	0.4
Total comprehensive income for the financial year	**–**	**–**	**–**	**–**	**0.4**	**10.6**	**11.0**
Share-based compensation expense	–	–	–	3.1	–	–	3.1
Share awards released	–	2.8	–	(2.8)	–	–	–
Treasury shares reissued pursuant to equity compensation plans	–	1.2	(1.2)	–	–	–	–
Total contributions by and distributions to owners	**–**	**4.0**	**(1.2)**	**0.3**	**–**	**–**	**3.1**
Balance at 31 March 2022	**420.0**	**(5.8)**	**1.5**	**5.1**	**1.1**	**796.8**	**1,218.7**

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**

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 2021 and 31 March 2022	1,124,116,360	420.0

As at 31 March 2022, the Company has an issued share capital of 1,124,116,360 ordinary shares (31 March 2021: 1,124,116,360 ordinary shares) of which 1,604,741 were held by the Company as treasury shares (31 March 2021: 2,713,774). The treasury shares held represents 0.1% (31 March 2020: 0.2%) of the total number of issued shares (excluding treasury shares).

The Company has no subsidiary holdings as at 31 March 2022 and 31 March 2021.

(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 2022, the number of outstanding shares granted under the Company's RSP and PSP were 2,319,173 (31 March 2021: 2,291,459) and 1,058,700 (31 March 2021: 878,000) respectively. The movement of these share awards during the financial year ended 31 March 2022 is as follows:

RSP

Date of grant	Balance at 01.04.2021/ Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2022
06.07.2018	283,002	-	-	(283,002)	-
05.07.2019	563,677	-	(9,440)	(295,360)	258,877
07.07.2020	1,436,880	(75,226)	(89,759)	(470,222)	801,673
04.01.2021	7,900	(295)	-	(2,600)	5,005
07.07.2021	1,282,818	-	(40,200)	-	1,242,618
05.11.2021	11,000	-	-	-	11,000
Total	3,585,277	(75,521)	(139,399)	(1,051,184)	2,319,173

* 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 01.04.2021/ Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2022
06.07.2018	175,300	-	(117,451)	(57,849)	-
05.07.2019	273,400	-	-	-	273,400
07.07.2020	422,200	-	-	-	422,200
04.01.2021	7,100	-	-	-	7,100
07.07.2021	346,300	-	-	-	346,300
05.11.2021	9,700	-	-	-	9,700
Total	1,234,000	-	(117,451)	(57,849)	1,058,700

* 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 01.04.2021/ Date of grant	Adjustment *	Cancelled	Released	Balance at 31.03.2022
05.07.2019	173,278	–	–	–	173,278
07.07.2020	155,616	–	–	–	155,616
07.07.2021	247,947	–	–	–	247,947
Total	576,841	–	–	–	576,841

* 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 2022, the Company has an issued share capital of 1,122,511,619 ordinary shares (31 March 2021: 1,121,402,586) excluding 1,604,741 ordinary shares (31 March 2021: 2,713,774) 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 (2020-21: nil). The Company transferred 1,109,033 treasury shares to employees on vesting of share-based incentive plans (2020-21: 1,089,003 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 2021	2,713,774	9.8
Treasury shares transferred on vesting of share-based incentives plans	(1,109,033)	(4.0)
Balance at 31 March 2022	1,604,741	5.8

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 2022 and 31 March 2021. There were no sales, transfers, cancellation and/or use of subsidiary holdings for the financial year ended 31 March 2022.

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 2021 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 2021. 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	
	2nd Half 2021-22	2nd Half 2020-21	2021-22	2020-21
Earnings/(Loss) per share (cents)				
- Basic *	3.79	0.69	6.02	(1.00)
- Diluted #	3.78	0.69	6.00	(1.00)

* 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 22	As at 31 Mar 21	As at 31 Mar 22	As at 31 Mar 21
Net asset value per share (cents)	143.5	136.8	108.6	107.4

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 2021-22

The Group posted a revenue of $566.1 million for the financial year ended 31 March 2022, an increase of 27.8% year-on-year. This increase was largely driven by a higher number of flights handled as flight activities continued to recover during the year. Group expenditure grew at a lower rate of 25.6%, mainly due to lower government wage support and increase in payroll costs as manpower management measures were progressively rolled back. Consequently, the Group incurred a lower operating loss of $21.8 million in comparison to the operating loss of $25.0 million last year.

Share of profits from associated and joint venture companies improved $39.2 million (+98.2%) year-on-year to $79.1 million. The improvement was largely due to a one-time writeback of tax provisions by certain associated companies, compared to a one-time tax charge last year. Contributions from the engine and component segment rose by $40.0 million (+80.3%) to $89.8 million, while the airframe and line maintenance segment turned in a loss of $10.7 million, which was $0.8 million (-8.1%) worse than last year.

The Group net profit for the financial year was $67.6 million, a turnaround from the loss of $11.2 million last year. Included in last year's poorer performance was an impairment provision of $35 million on Base Maintenance unit's assets.

Performance was underpinned by government wage support, short of which the Group would have recorded a loss of $25.9 million.

Basic earnings per share was 6.02 cents for the current financial year.

Second Half FY2021-22

The Group recorded an operating loss of $15.1 million in the second half, a deterioration as compared to an operating profit of $2.2 million in the same period last year. Revenue increase of 37.5% to $302.6 million was insufficient to offset the reduction of grant from government wage support and increase in costs from progressive rollback of manpower measures. Expenditure had increased at a higher rate of 45.9% to $317.7 million.

Share of profits of associated and joint venture companies was $52.3 million, an improvement of $40.8 million year-on-year, mainly due to a one-time writeback of tax provisions by certain associated companies, compared to a one-time tax charge last year. Contributions from the engine and component segment was $57.5 million, while the airframe and line maintenance segment turned in a loss of $5.2 million.

The Group recorded a net profit of $42.6 million for the half year ended 31 March 2022, an improvement of $34.8 million year-on-year.

Basic earnings per share for the second half was 3.79 cents.

GROUP FINANCIAL POSITION

As at 31 March 2022, equity attributable to owners of the parent was $1,610.7 million, an increase of $77.1 million (+5.0%) from 31 March 2021, mainly due to profits earned for the financial year.

Total assets stood at $1,838.2 million as of 31 March 2022, an increase of $28.4 million (+1.6%) from 31 March 2021. The Group's cash balance was $625.5 million.

Net asset value per share as at 31 March 2022 was 143.5 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.

BUSINESS UPDATES

The pace of recovery of flights has been gradual, with stronger pick up in the second half. In March 2022, the number of flights handled at our Line Maintenance unit in Singapore reached the highest level since the pandemic, at 38% of pre-pandemic workload. Compared to the low base last year, the number of flights handled during the financial year at 29% of pre-pandemic workload was 73% higher year-on-year. Similar recovery trends were observed at our overseas Line Maintenance stations.

Base Maintenance secured and completed more checks this year. This was due to an increase in demand as well as active marketing to fill additional capacity, which was created as a result of the successful adoption of Lean practices and the significant reduction in turnaround time. Wider application of Lean will gain further traction as volume increase with the return of business.

Work volume for the fleet management business, which is largely driven by flight activities, remained muted during the year due to low flight hours and retirement of customers' older aircraft. For the engine and component segment for which overhaul cycles are partially time-based, demand recovery was slightly higher than the recovery in flight activities.

Active management of the impact of COVID-19 has enabled us to avoid business disruption. Measures taken earlier to mitigate manpower surpluses and manage manpower cost were removed in phases as flight activities picked up and in preparation for further flight recovery. To manage the expected rise in business recovery, we have been ramping up manpower recruitment. With the progressive step-down in government wage support, we stayed prudent in managing the increase in costs.

In FY2021-22, we have taken the opportunity to make good progress and further solidify the efforts of our Transformation. The Company implemented a series of Lean initiatives across various divisions which have yielded significant improvements in productivity and turnaround time. Investments in IT and data infrastructure have provided the foundation to implement digital technologies to better support the workforce in areas of improving productivity, operational efficiency and enabling employees to perform higher value work.

During the Singapore Airshow in February 2022, the Group made a series of announcements on growing and investing in new capabilities. We announced the agreement with SR Technics Switzerland to acquire a 75% stake in SR Technics Malaysia, to form a component maintenance, repair and overhaul joint venture. The new joint venture, which is subject to the satisfaction of conditions precedent set out in the agreement, will complement our existing component repair and overhaul services and fleet management programmes. In April 2022, we announced the expansion of our regional base maintenance network with the potential lease of two hangars in Subang, Malaysia. The hangars will enable us to cater to the growing needs of our customers. Along with our recently announced plans to acquire a stake in POS Aviation Engineering Services, our growth in Malaysia will complement the capabilities of our Singapore hub.

The Company is committed to play our part in supporting the aviation industry's goal towards net zero carbon emissions. We successfully trialed the use of sustainable aviation fuel (SAF) to perform engine tests at our engine test facility, which will allow us to offer additional emissions-reducing services to our customers. SIA Engineering (Philippines) Corporation, our wholly-owned subsidiary, also recently signed an agreement to collaborate with an aircraft part-out specialist to provide sustainable, end-to-end aircraft recycling solutions.

OUTLOOK

As more countries transition to handling COVID-19 as endemic, there has been increasing momentum in the re-opening of borders and relaxation of travel restrictions in the region. Since 1 April 2022, Singapore had fully re-opened its borders to all vaccinated travellers and the government had affirmed its confidence and commitment to reclaim Singapore's status as an international aviation hub. These developments augur well for a stronger recovery in the new financial year.

While we are confident of recovery, we are mindful of significant risks that remain due to geopolitical tensions, continuing threats of COVID-19 outbreak in some countries and emergence of new variants. The Company's performance will be highly dependent on the degree of our revenue recovery vis-à-vis rising costs and declining government wage support. We will continue to exercise financial prudence and manage risks judiciously.

To emerge stronger and empower sustainable growth beyond the pandemic, our focus remains on strengthening our core competencies through accelerating our digitalisation, automation and Lean initiatives under the ongoing Transformation programme. We will continue to pursue growth, with efforts focused on expanding our capabilities, services and geographical presence through acquisitions and partnerships.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

The Group continued to receive substantial government wage support during the financial year, without which the Group would have reported a loss. While flight activities are showing clear signs of recovery, they remained low against pre-pandemic levels. Against a backdrop of geopolitical tensions and continuing threat of rising infection in some countries and new variants emerging, there are significant risks to the pace of recovery. In view of the foregoing, the Board does not recommend any dividend payout for the financial year.

13. Interested Person Transactions

(In $ Million)

The aggregate value of all interested person transactions ("IPTs") entered into during the financial year 2021/22 are as follows:

		FY2021/22	
Name of interested person	Nature of relationship	Aggregate value of all IPTs (excluding all mandated transactions pursuant to Rule 920 of the SGX Listing Manual and transactions less than $100,000)	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 SIAEC	–	489.3*
SilkAir (Singapore) Pte Ltd	Wholly-owned subsidiaries of SIAEC's	–	0.4
Scoot TigerAir Pte Ltd	controlling shareholder	–	9.8
Singapore Aviation and General Insurance Company (Pte) Ltd		–	0.6
Non-listed Associates of Temasek Holdings (Private) Limited ("Temasek")			
AJI International Pte Ltd	Associates of Temasek	–	15.0
SATS Group			
SATS Airport Services Pte Ltd	Associate of Temasek Holdings (Private) Limited ("Temasek")	–	0.4
Total		–	515.5

* Includes principal, interest and service fees, in respect of treasury transactions with SIA.

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 2022 and 31 March 2021 and certain assets information of the operating segments as at those dates.

2021-22 (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	534.0	32.1	566.1	–	566.1
Associated companies+	71.3	2,159.7	2,231.0	(2,231.0)	–
Joint venture company+	–	2,708.4	2,708.4	(2,708.4)	–
Inter-segment revenue	–	1.4	1.4	(1.4)	–
	605.3	4,901.6	5,506.9	(4,940.8)	566.1
SEGMENT RESULTS					
Segment results					
Company and subsidiaries	(9.1)	(12.7)	(21.8)	–	(21.8)
Associated companies+	(21.6)	108.5	86.9	(86.9)	–
Joint venture company+	–	52.6	52.6	(52.6)	–
	(30.7)	148.4	117.7	(139.5)	(21.8)
Interest income					1.8
Impairment of non-financial assets					(8.4)
Impairment of associated companies					(2.2)
Surplus on disposal of associated companies					2.6
Share of profits of associated companies, net of tax				49.7	49.7
Share of profits of a joint venture company, net of tax				29.4	29.4
Other unallocated amounts					(1.9)
Profit before taxation					49.2
Taxation					18.6
Profit for the financial year					67.8
Other segment items					
Depreciation	56.8	3.0	59.8	–	59.8
Amortisation of intangible assets	2.0	1.5	3.5	–	3.5
Segment assets					
Property, plant and equipment	140.4	16.5	156.9	–	156.9
Right-of-use assets	55.4	7.6	63.0	–	63.0
Intangible assets	12.1	20.7	32.8	–	32.8
Investment in associated/joint venture companies	19.5	631.8	651.3	–	651.3
Prepayments and other debtors (non-current)	–	3.9	3.9	–	3.9
Other unallocated assets					930.3
Total assets	227.4	680.5	907.9	–	1,838.2

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)	–
	516.3	3,771.1	4,287.4	(3,844.4)	443.0
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)	–
	(47.6)	168.5	120.9	(145.9)	(25.0)
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 a joint venture company, net of tax				14.2	14.2
Other unallocated amounts					(7.9)
Loss before taxation					(35.6)
Taxation					16.0
Loss for the financial year					(19.6)
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					926.0
Total assets	276.5	607.3	883.8	–	1,809.8

+ 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)	**2021-22**	**2020-21**	**2022**	**2021**
East Asia #	449.1	349.0	899.5	851.4
Europe ^	56.6	37.7	–	–
South West Pacific	4.8	4.5	–	–
Americas	35.0	24.7	26.0	32.4
West Asia and Africa	20.6	27.1	–	–
Total	566.1	443.0	925.5	883.8

* 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, prepayments and other debtors and deferred tax assets 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		
	2021-22	**2020-21**	**Change**
	$M	**$M**	**%**
Turnover reported for first half year	263.5	223.0	18.2%
Profit/(Loss) after tax reported for the first half year	25.0	(27.2)	n.m.
Turnover reported for second half year	302.6	220.0	37.5%
Profit after tax reported for the second half year	42.8	7.6	n.m.

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.

Not applicable.

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
5 May 2022

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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 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 20 to 109.

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 Companies Act 1967 (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 2022 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.

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

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

During the financial year, the economic performance of the airframe maintenance, repair and component overhaul ("MRO") businesses and other related businesses continued to be impacted by the COVID-19 pandemic. 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 value-in-use assessments require significant estimates and assumptions to be made in determining the recoverable amounts for the CGUs. In particular, the duration and pace of recovery from the global pandemic are inherently difficult to assess and involve a high degree of uncertainty.

Airframe and Line Maintenance

Airframe Maintenance – Management's value-in-use computation assumed gradual recovery of base maintenance work volumes at the hangars and increased margins through progressive implementation of transformation initiatives. The recoverable amount estimated supports the carrying value of the PPE, net of accumulated impairment loss (as brought forward from the previous year). Whilst no additional impairment loss was considered for the current year, Management has observed the sensitivity analysis for recoverable amount from risk of forecasting errors.

Our response

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 assumptions underpinning the assessment of the recoverable amounts of the CGUs. These assumptions include timing of recovery of flight operations and work volume of MRO activities in future periods, operating costs, discount rates, as well as productivity gain and cost synergies from transformation programmes implemented by the Group.

We evaluated these assumptions by comparing them to past historical performance and productivity and cost initiatives implemented, together with publicly available industry reports on industry outlook and other market data relevant to the aviation and MRO sectors.

We stress-tested Management's key assumptions by including additional scenarios more severe than those projected by Management.

We considered the appropriateness of disclosures in the financial statements.

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

Risk	Our response
Line Maintenance – No impairment loss on PPE was considered necessary by Management on the basis of lifting of international travel restrictions with flights gradually returning. Fleet Management – No impairment loss on PPE was considered necessary since individual customer contracts were forecast to be profitable. Certain aircraft rotables that have been classified as assets held for sale, however, saw further write-downs to their expected scrap values following difficulty in selling these rotables caused by reduced demand from accelerated retirement of certain aircraft types. **<u>Intangible assets - Deferred engine development costs</u>** The Group has a participative right in an Engine Development Programme with Pratt and Whitney under the PurePower PW1000G Risk Revenue Sharing Programmes. With the engine sales continuing to deliver as planned, no impairment loss was considered necessary by Management	

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 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 through joint formation as subsidiaries, associated or joint venture companies. The COVID-19 pandemic continued to cause disruption to some of these strategic investments.

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

During the year, an associate planned to enter into business restructuring after completing the remaining customer contracts due to continued loss-making position. As a result, the Group recorded additional impairment loss after equity-accounting for this associate; and the Company also recorded additional impairment loss on its investment in the said associate to reflect the estimated realisable value.

Our response

We reviewed Management's process for the evaluation of the valuation of its strategic investments.

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

We evaluated Management assumptions supporting the valuation of investments.

We considered the appropriateness of disclosures in the financial statements.

Findings

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

Recognition of revenue on customer contracts

Refer to Note 3(s) '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.

Variable consideration from variation orders is 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 Management's consistent 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, for revenue recognition.

Findings

We found Management's assumptions applied towards estimating revenue to be appropriate.

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	Our response
The Group's customers are airlines with cash conservation as their top priority. This may limit their ability to pay in a timely manner. Credit-default risk continues to be a concern for counterparties in the aviation and aerospace sectors despite the gradual recovery observed for these sectors. The determination of 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.	We reviewed Management's ageing and credit analysis of the Group's trade receivables and contract assets, 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. We assessed the appropriateness of disclosures.

Findings

The Group has a process for identifying credit-impaired 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 *FY2021/22 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
5 May 2022