

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023**

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A. CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023 (in thousands of \$)

	Notes	The Group 1st Half 2023/24	1st Half 2022/23
REVENUE	4	513,983	362,217
EXPENDITURE			
Staff costs	5	279,626	191,951
Material costs		82,865	53,784
Depreciation		29,212	29,317
Amortisation of intangible assets		2,765	2,255
Company accommodation		9,158	8,986
Subcontract costs		52,490	39,698
Other operating expenses		57,747	47,026
		513,863	373,017
OPERATING PROFIT/(LOSS)	6	120	(10,800)
Interest income		12,319	3,107
Finance charges		(2,145)	(1,007)
Surplus/(Loss) on disposal of property, plant and equipment and intangible assets		151	(23)
Share of profits of associated companies, net of tax		35,009	24,610
Share of profits of a joint venture company, net of tax		15,034	16,795
PROFIT BEFORE TAXATION		60,488	32,682
Taxation		(1,142)	(107)
PROFIT FOR THE FINANCIAL PERIOD		59,346	32,575
PROFIT ATTRIBUTABLE TO: OWNERS OF THE PARENT		59,323	32,489
Non-controlling interests		23	86
		59,346	32,575
BASIC EARNINGS PER SHARE (CENTS)	7	5.28	2.89
DILUTED EARNINGS PER SHARE (CENTS)	7	5.26	2.88

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**B. CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023 (in thousands of \$)**

	The Group	
	1st Half 2023/24	1st Half 2022/23
PROFIT FOR THE FINANCIAL PERIOD	59,346	32,575
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		
<u>Item that will not be reclassified to profit or loss:</u>		
Actuarial loss on remeasurement of defined benefit plan	(4)	(8)
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation of foreign operations	18,580	42,505
Net fair value adjustment on cash flow hedges	800	2,583
Share of other comprehensive income of associated/joint venture companies	(5,603)	(7,328)
	13,777	37,760
Other comprehensive income, net of tax	13,773	37,752
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	73,119	70,327
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: OWNERS OF THE PARENT		
Non-controlling interests	72,899	69,726
	220	601
	73,119	70,327

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

C. CONDENSED INTERIM BALANCE SHEETS AS AT 30 SEPTEMBER 2023 (in thousands of \$)

	Notes	The Group		The Company	
		30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	10	420,044	420,044	420,044	420,044
Treasury shares	11	(1,216)	(4,971)	(1,216)	(4,971)
Capital reserve		(388)	(482)	(388)	(482)
Share-based compensation reserve		4,119	5,805	4,119	5,805
Foreign currency translation reserve		(17,623)	(35,351)	–	–
Fair value reserve	12	294	4,442	1,314	514
Equity transaction reserve		(2,173)	(2,173)	–	–
General reserve		1,276,350	1,278,845	781,128	830,720
		1,679,407	1,666,159	1,205,001	1,251,630
NON-CONTROLLING INTERESTS		10,139	10,579	–	–
TOTAL EQUITY		1,689,546	1,676,738	1,205,001	1,251,630
NON-CURRENT LIABILITIES					
Deferred tax liabilities		597	539	–	–
Lease liabilities		85,268	90,134	79,044	83,256
Long-term bank loan	15	1,999	462	–	–
		87,864	91,135	79,044	83,256
		1,777,410	1,767,873	1,284,045	1,334,886
Represented by:					
PROPERTY, PLANT AND EQUIPMENT	13	178,690	175,143	139,838	138,829
RIGHT-OF-USE ASSETS		108,687	112,382	101,930	104,464
INTANGIBLE ASSETS		42,984	40,778	22,175	19,564
SUBSIDIARY COMPANIES		–	–	152,429	143,245
ASSOCIATED COMPANIES	20	485,219	452,740	168,442	178,910
JOINT VENTURE COMPANY		248,530	232,564	61,867	61,867
DEFERRED TAX ASSETS	14	17,064	17,539	16,330	16,688
CURRENT ASSETS					
Trade debtors		42,981	34,151	30,738	23,785
Contract assets		165,343	160,304	153,079	149,100
Prepayments and other debtors		17,567	17,756	6,920	6,932
Amounts owing by immediate holding company		43,497	43,715	43,051	43,271
Amounts owing by related parties		20,288	18,442	28,180	24,760
Inventories		54,894	43,359	26,493	25,915
Short-term deposits		562,075	603,539	548,111	589,128
Cash and bank balances		31,585	29,450	12,136	12,271
		938,230	950,716	848,708	875,162
Assets held for sale	13	1,516	1,516	1,516	1,516
		939,746	952,232	850,224	876,678
Less:					
CURRENT LIABILITIES		185,742	162,025	169,699	140,175
Trade and other creditors		23,932	21,510	22,530	20,760
Contract liabilities		24,523	22,570	23,030	20,569
Lease liabilities		389	1,239	7,438	17,170
Amounts owing to related parties		2,725	2,029	–	–
Bank loans	15	6,199	6,132	6,493	6,685
Tax payable		–	–	–	–
		243,510	215,505	229,190	205,359
NET CURRENT ASSETS		696,236	736,727	621,034	671,319
		1,777,410	1,767,873	1,284,045	1,334,886

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023 (in thousands of \$)**

The Group	Notes	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 2023		420,044	(4,971)	(482)	5,805	(35,351)	4,442	(2,173)	1,278,845	1,666,159	10,579	1,676,738
Profit for the period		-	-	-	-	-	-	-	59,323	59,323	23	59,346
Actuarial loss on remeasurement of defined benefit plan		-	-	-	-	-	-	-	(4)	(4)	-	(4)
Foreign currency translation		-	-	-	-	18,383	-	-	-	18,383	197	18,580
Net fair value adjustment on cash flow hedges		-	-	-	-	-	800	-	-	800	-	800
Share of other comprehensive income of associated/joint venture companies		-	-	-	-	(655)	(4,948)	-	-	(5,603)	-	(5,603)
Other comprehensive income, net of tax		-	-	-	-	17,728	(4,148)	-	(4)	13,576	197	13,773
Total comprehensive income for the period		-	-	-	-	17,728	(4,148)	-	59,319	72,899	220	73,119
Share-based compensation expense		-	-	-	2,880	-	-	-	-	2,880	-	2,880
Share awards released		-	4,566	-	(4,566)	-	-	-	-	-	-	-
Purchase of treasury shares	11	-	(717)	-	-	-	-	-	-	(717)	-	(717)
Treasury shares reissued pursuant to equity compensation plans	11	-	(94)	94	-	-	-	-	-	-	-	-
Dividends	8	-	-	-	-	-	-	-	(61,814)	(61,814)	(660)	(62,474)
Total contributions by and distributions to owners		-	3,755	94	(1,686)	-	-	-	(61,814)	(59,651)	(660)	(60,311)
Balance at 30 September 2023		420,044	(1,216)	(388)	4,119	(17,623)	294	(2,173)	1,276,350	1,679,407	10,139	1,689,546

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022 (in thousands of \$)

The Group	Notes	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 2022		420,044	(5,776)	1,506	5,110	(19,843)	92	(2,173)	1,211,826	1,610,786	10,620	1,621,406
Profit for the period		-	-	-	-	-	-	-	32,489	32,489	86	32,575
Actuarial loss on remeasurement of defined benefit plan		-	-	-	-	-	-	-	(8)	(8)	-	(8)
Foreign currency translation		-	-	-	-	41,990	-	-	-	41,990	515	42,505
Net fair value adjustment on cash flow hedges		-	-	-	-	-	2,583	-	-	2,583	-	2,583
Share of other comprehensive income of associated/joint venture companies		-	-	-	-	(1,036)	(6,292)	-	-	(7,328)	-	(7,328)
Other comprehensive income, net of tax		-	-	-	-	40,954	(3,709)	-	(8)	37,237	515	37,752
Total comprehensive income for the period		-	-	-	-	40,954	(3,709)	-	32,481	69,726	601	70,327
Share-based compensation expense		-	-	-	1,991	-	-	-	-	1,991	-	1,991
Share awards released		-	3,830	-	(3,830)	-	-	-	-	-	-	-
Purchase of treasury shares	11	-	(1,059)	-	-	-	-	-	-	(1,059)	-	(1,059)
Treasury shares reissued pursuant to equity compensation plans	11	-	1,988	(1,988)	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	(1,150)	(1,150)
Total contributions by and distributions to owners		-	4,759	(1,988)	(1,839)	-	-	-	-	932	(1,150)	(218)
Acquisition of a subsidiary with non-controlling interests		-	-	-	-	-	-	-	-	-	1,170	1,170
Total changes in ownerships interests in subsidiary		-	-	-	-	-	-	-	-	-	1,170	1,170
Balance at 30 September 2022		420,044	(1,017)	(482)	3,271	21,111	(3,617)	(2,173)	1,244,307	1,681,444	11,241	1,692,685

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (Continued)
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023 (in thousands of \$)

The Company	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2023		420,044	(4,971)	(482)	5,805	514	830,720	1,251,630
Profit for the period		–	–	–	–	–	12,222	12,222
Other comprehensive income for the period, net of tax:								
Net fair value adjustment on cash flow hedges		–	–	–	–	800	–	800
Total comprehensive income for the period		–	–	–	–	800	12,222	13,022
Share-based compensation expense		–	–	–	2,880	–	–	2,880
Share awards released		–	4,566	–	(4,566)	–	–	–
Purchase of treasury shares	11	–	(717)	–	–	–	–	(717)
Treasury shares reissued pursuant to equity compensation plans	11	–	(94)	94	–	–	–	–
Dividends	8	–	–	–	–	–	(61,814)	(61,814)
Total contributions by and distributions to owners		–	3,755	94	(1,686)	–	(61,814)	(59,651)
Balance at 30 September 2023		420,044	(1,216)	(388)	4,119	1,314	781,128	1,205,001

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022 (in thousands of \$)

The Company	Notes	Share capital	Treasury shares	Capital reserve	Share-based compensation reserve	Fair value reserve	General reserve	Total
Balance at 1 April 2022		420,044	(5,776)	1,506	5,110	1,125	796,767	1,218,776
Profit for the period		–	–	–	–	–	1,425	1,425
Other comprehensive income for the period, net of tax:								
Net fair value adjustment on cash flow hedges		–	–	–	–	2,583	–	2,583
Total comprehensive income for the period		–	–	–	–	2,583	1,425	4,008
Share-based compensation expense		–	–	–	1,991	–	–	1,991
Share awards released		–	3,830	–	(3,830)	–	–	–
Purchase of treasury shares	11	–	(1,059)	–	–	–	–	(1,059)
Treasury shares reissued pursuant to equity compensation plans	11	–	1,988	(1,988)	–	–	–	–
Total contributions by and distributions to owners		–	4,759	(1,988)	(1,839)	–	–	932
Balance at 30 September 2022		420,044	(1,017)	(482)	3,271	3,708	798,192	1,223,716

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

**E. CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023 (in thousands of \$)**

	1st Half 2023/24	1st Half 2022/23
Profit before taxation	60,488	32,682
Adjustments for:		
Depreciation	29,212	29,317
Amortisation of intangible assets	2,765	2,255
Impairment loss allowance/(reversal) for trade receivables, contract assets and amounts owing by related parties	2,232	(1,643)
Share-based compensation expense	2,880	1,991
Provision for inventory obsolescence	1,597	1,525
Unrealised exchange differences	(1,314)	(3,832)
Interest income	(12,319)	(3,107)
Finance charges	2,145	1,007
(Surplus)/Loss on disposal of property, plant and equipment and intangible assets	(151)	23
Share of profits of associated and joint venture companies, net of tax	(50,043)	(41,405)
Operating profit before working capital changes	37,492	18,813
(Increase)/decrease in debtors	(8,966)	3,638
Increase in contract assets	(4,986)	(32,072)
Increase in inventories	(13,132)	(1,468)
Increase in creditors	24,571	34,252
Increase in contract liabilities	2,423	9,632
Decrease in amounts owing by immediate holding company	73	1,726
Increase in amounts owing by related parties, net	(2,678)	(1,301)
Cash generated from operations	34,797	33,220
Income taxes paid	(704)	(107)
NET CASH PROVIDED BY OPERATING ACTIVITIES	34,093	33,113

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

E. CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (continued)
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2023 (in thousands of \$)

	Notes	1st Half 2023/24	1st Half 2022/23
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	13	(17,582)	(32,274)
Purchase of intangible assets		(4,543)	(6,774)
Proceeds from disposal of property, plant and equipment and intangible assets		160	11
Proceeds from return of capital from an associated company		13,490	-
Investment in an associated company		(3,022)	-
Acquisition of a subsidiary, net of cash acquired		-	(4,243)
Dividends received from associated companies		2,141	6,730
Interest received from deposits		12,443	1,298
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>3,087</u>	<u>(35,252)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	8	(61,814)	-
Dividends paid by subsidiary companies to non-controlling interests		(660)	(1,150)
Finance charges (paid)/received		(276)	1
Proceeds from borrowings		2,201	-
Repayment of borrowings		-	(2,855)
Repayment of lease liabilities		(15,475)	(15,330)
Purchase of treasury shares	11	(717)	(1,059)
NET CASH USED IN FINANCING ACTIVITIES		<u>(76,741)</u>	<u>(20,393)</u>
NET CASH OUTFLOW		(39,561)	(22,532)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		632,989	625,477
Effect of exchange rate changes		232	2,703
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		<u>593,660</u>	<u>605,648</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Short-term deposits		562,075	565,439
Cash and bank balances		31,585	40,209
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		<u>593,660</u>	<u>605,648</u>

The accompanying explanatory notes form an integral part of the condensed interim financial statements.

F. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. GENERAL

SIA Engineering Company Limited (the "Company") is a limited liability company incorporated in the Republic of Singapore which is also the place of domicile. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is a subsidiary company of Singapore Airlines Limited and its ultimate holding company is Temasek Holdings (Private) Limited. Both holding companies are incorporated in the Republic of Singapore.

The registered office of the Company is at 31 Airline Road, Singapore 819831.

The financial statements of the Group as at 30 September 2023 and for the half year then ended comprise the Company and its subsidiary companies (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in equity-accounted investees.

The principal activities of the Company are the provision of airframe maintenance, component overhaul services and inventory technical management, the provision of line maintenance and technical ground handling services and investment holdings. The principal activities of the subsidiary companies are disclosed in Note 18 to the audited financial statements for the year ended 31 March 2023. There have been no significant changes in the nature of these activities during the financial period.

2. BASIS OF PREPARATION

The condensed interim financial statements for the half year ended 30 September 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) 34 Interim Financial Reporting (SFRS(I) 1-34) and International Accounting Standard 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2023 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The Group has applied the same accounting policies and methods of computation in the preparation of the interim financial statements for the current reporting period as the last audited financial statements except for the adoption of SFRS(I) and International Financial Reporting Standards ("IFRS") that are mandatory for financial year beginning on or after 1 April 2023. The adoption of these SFRS(I) and IFRS have no significant impact on the financial statements.

The condensed interim financial statements are presented in Singapore Dollars ("SGD"), which is the Company's functional currency and all financial information presented in SGD have been rounded to the nearest thousand (\$'000), unless otherwise stated.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND CRITICAL JUDGEMENTS

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements as at and for the year ended 31 March 2023: -

- i) Expected credit loss (“ECL”) provision for trade receivables, contract assets and amounts owing by related parties;
- ii) Depreciation of plant, equipment and engine overhaul tooling, and aircraft rotatable spares;
- iii) Income taxes;
- iv) Contract assets;
- v) Measurement of right-of-use assets and related lease liabilities; and
- vi) Impairment of non-financial assets

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

4. REVENUE (in thousands of \$)

	The Group	
	1st Half 2023/24	1st Half 2022/23
Airframe overhaul and line maintenance	398,604	293,315
Engine and component	115,379	68,902
	513,983	362,217

4. REVENUE (in thousands of \$) (continued)

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major service line and timing of revenue recognition.

	Airframe overhaul and line maintenance		Engine and component		Total	
	1st Half 2023/24	1st Half 2022/23	1st Half 2023/24	1st Half 2022/23	1st Half 2023/24	1st Half 2022/23
Primary geographical markets						
East Asia	303,212	234,967	66,139	48,733	369,351	283,700
Europe	39,970	26,955	28,778	8,230	68,748	35,185
South West Pacific	13,297	4,735	1,235	1,396	14,532	6,131
Americas	27,174	18,424	16,985	9,177	44,159	27,601
West Asia and Africa	14,951	8,234	2,242	1,366	17,193	9,600
	398,604	293,315	115,379	68,902	513,983	362,217
Major service line						
Services rendered	398,604	293,315	115,379	68,902	513,983	362,217
Timing of revenue recognition						
Transferred over time	398,604	293,315	115,379	68,902	513,983	362,217

(b) Seasonality of operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. STAFF COSTS

During the half year ended 30 September 2022, staff costs were offset by \$11,113,000 of government grants, namely the wage support provided by the Singapore Government measured at 30% to 50% of the qualifying wages recorded by group entities.

6. OPERATING PROFIT/(LOSS) (in thousands of \$)

Operating profit/(loss) for the period is arrived at after charging/(crediting):

	The Group	
	1st Half 2023/24	1st Half 2022/23
Impairment loss allowance/(reversal) for trade receivables, contract assets and amounts owing by related parties	2,232	(1,643)
Net exchange gain	(2,978)	(3,454)
Provision for obsolete stocks, net	1,597	1,525
Equipment costs	27,745	19,330
	27,745	19,330

7. EARNINGS PER SHARE

	The Group	
	1st Half 2023/24	1st Half 2022/23
Profit attributable to owners of the parent (in thousands of \$)	59,323	32,489
Weighted average number of ordinary shares in issue used for computing basic earnings per share*	1,122,882,578	1,123,210,887
Adjustment for dilutive potential ordinary shares	5,056,147	4,375,100
Weighted average number of ordinary shares in issue used for computing diluted earnings per share	1,127,938,725	1,127,585,987
Basic earnings per share (cents)	5.28	2.89
Diluted earnings per share (cents)	5.26	2.88

* The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares transactions during the period.

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

7. EARNINGS PER SHARE (continued)

For purposes of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to take into account the effects of dilutive potential ordinary shares. The Company has three categories of dilutive potential ordinary shares: performance shares, restricted shares and deferred shares.

8. DIVIDENDS (in thousands of \$)

	The Group and Company	
	1st Half	1st Half
	2023/24	2022/23
Dividends paid:		
Final dividend of 5.5 cents per share in respect of 2022/23 (2022/23: Nil cents per share in respect of 2021/22)	61,814	–

On 2 November 2023, the directors approved an interim one-tier dividend of 2.0 cents per share for the financial period ended 30 September 2023 to be paid on 29 November 2023. No interim dividend was declared for the financial period ended 30 September 2022.

9. NET ASSET VALUE

	The Group		The Company	
	As at	As at	As at	As at
	30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
Net asset value per ordinary share* (cents)	149.5	148.5	107.2	111.6

* Excluding treasury shares

10. SHARE CAPITAL (in thousands of \$)

	The Group and Company			
	30 September 2023		31 March 2023	
	Number of	Amount	Number of	Amount
	shares	shares	shares	shares
Issued and fully paid	1,124,116,360	420,044	1,124,116,360	420,044

There was no movement in the issued and paid-up capital of the Company since 31 March 2023.

As at 30 September 2023, the Company has an issued share capital of 1,123,599,946 ordinary shares (31 March 2023: 1,121,989,622) excluding 516,414 ordinary shares (31 March 2023: 2,126,738) held by the Company as treasury shares.

The Company has no subsidiary holdings as at 30 September 2023 and 31 March 2023.

10. SHARE CAPITAL (in thousands of \$) (continued)

Restricted Share Plan and Performance Share Plan

- (i) Management staff are entitled to the Restricted Share Plan ("RSP"). In addition, senior management staff are entitled to participate in the Performance Share Plan ("PSP"). Both plans were first approved by the shareholders of the Company on 25 July 2005 and expired on 24 July 2015. On 21 July 2014, the shareholders of the Company approved the RSP 2014 and PSP 2014, which replaced the RSP and PSP respectively.
- (ii) Depending on the achievement of pre-determined targets over a stipulated period for the RSP and PSP, the final number of restricted shares and performance shares awarded could range between 0% and 150% of the initial grant of the restricted shares and between 0% and 200% of the initial grant of the performance shares.
- (iii) As at 30 September 2023, the number of outstanding shares granted under the Company's RSP and PSP were 2,952,021 (30 September 2022: 2,443,073) and 1,247,100 (30 September 2022: 1,142,800) respectively. The movement of these share awards during the half year from 1 April 2023 to 30 September 2023 is as follows:

RSP

Date of grant	Number of Restricted shares				Balance at 30.09.2023
	Balance at 01.04.2023/ date of grant	Adjustments*	Cancelled	Released	
07.07.2020	352,762	–	–	(352,762)	–
04.01.2021	5,005	–	–	(5,005)	–
07.07.2021	820,658	–	(4,308)	(416,200)	400,150
05.11.2021	11,000	–	–	(5,500)	5,500
07.07.2022	1,224,975	–	(9,509)	(416,329)	799,137
25.01.2023	4,700	–	–	–	4,700
07.07.2023	1,782,134	–	–	(39,600)	1,742,534
Total	4,201,234	–	(13,817)	(1,235,396)	2,952,021

* 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	Number of Performance shares				Balance at 30.09.2023
	Balance at 01.04.2023/ date of grant	Adjustments*	Cancelled	Released	
06.07.2018	–	8,946	–	(8,946)	–
05.07.2019	–	25,474	–	(25,474)	–
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
07.07.2022	357,500	4,000	–	–	361,500
25.01.2023	4,000	–	–	–	4,000
07.07.2023	525,600	–	–	–	525,600
Total	1,672,400	38,420	(429,300)	(34,420)	1,247,100

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

10. SHARE CAPITAL (in thousands of \$) (continued)

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	Number of Deferred shares				Balance at 30.09.2023
	Balance at 01.04.2023/ date of grant	Adjustments*	Cancelled	Released	
05.07.2019	–	2,894	–	(2,894)	–
07.07.2020	155,616	4,498	–	(160,114)	–
07.07.2021	247,947	–	–	–	247,947
07.07.2022	385,664	–	–	(192,900)	192,764
07.07.2023	861,815	–	–	(287,300)	574,515
Total	1,651,042	7,392	–	(643,208)	1,015,226

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

11. TREASURY SHARES (in thousands of \$)

	The Group and Company	
	30 Sep 2023	31 Mar 2023
Balance at 1 April	(4,971)	(5,776)
Purchase of treasury shares	(717)	(5,013)
Treasury shares reissued pursuant to equity compensation plans:		
- RSP/PSP awarded	4,566	3,830
- (Gain)/Loss on reissuance of treasury shares	(94)	1,988
	<u>4,472</u>	<u>5,818</u>
Balance at 30 September and 31 March	<u>(1,216)</u>	<u>(4,971)</u>

During the period from 1 April 2023 to 30 September 2023, the Company purchased 302,700 (1 April 2022 to 30 September 2022: 443,900) of its ordinary shares by way of on-market purchases at share prices ranging from \$2.32 to \$2.40 (1 April 2022 to 30 September 2022: \$2.24 to \$2.47). The total amount paid to purchase the shares was approximately \$717,000 (1 April 2022 to 30 September 2022: \$1,059,000) and this is presented as a component within equity attributable to owners of the Parent.

The Company transferred 1,913,024 treasury shares to employees on vesting of share-based incentive plans (1 April 2022 to 30 September 2022: 1,628,003 on vesting of share-based incentive plans).

12. OTHER RESERVES (in thousands of \$)

Fair value reserve records the cumulative fair value changes of financial asset measured at fair value through other comprehensive income ("FVOCI") and the portion of the fair value changes (net of tax) on derivative financial instruments designated as hedging instruments in cash flow hedges that is determined to be an effective hedge.

	The Group	
	30 Sep 2023	31 Mar 2023
Balance at 1 April	4,442	92
Net gain/(loss) on fair value adjustment	1,732	(619)
Recognised in "other operating expenses" in profit or loss on occurrence of forecast transactions	(932)	8
Share of other comprehensive income of a joint venture company	(4,948)	4,961
Balance at 30 September and 31 March	294	4,442

	The Company	
	30 Sep 2023	31 Mar 2023
Balance at 1 April	514	1,125
Net gain/(loss) on fair value adjustment	1,732	(619)
Recognised in "other operating expenses" in profit or loss on occurrence of forecast transactions	(932)	8
Balance at 30 September and 31 March	1,314	514

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired property, plant and equipment with a cost of \$17,582,000 (six months ended 30 September 2022: \$32,274,000). Nil (six months ended 30 September 2022: \$559,000) of property, plant and equipment was acquired through business combination during the period.

Assets held for sale

The fair value of assets held for sale fall under level 3 of fair value hierarchy.

14. DEFERRED TAX ASSETS

Deferred income tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group and Company's deferred tax assets as at 30 September 2023 of \$17,064,000 (31 March 2023: \$17,539,000) and \$16,330,000 (31 March 2023: \$16,688,000) represent mainly tax losses and unutilised capital allowances that arose from business impact from the COVID-19 pandemic. With the recovery of flight operations, as well as the pursuit of growth opportunities with cost management, Management has forecast certain group entities to be generating future taxable profits in the foreseeable future to utilise these carry-forward tax losses and allowances.

15. BANK LOANS (in thousands of \$)

	The Group	
	30 Sep 2023	31 Mar 2023
<u>Amount repayable within one year or on demand</u>		
Unsecured revolving credit facilities	2,725	2,029
<u>Amount repayable after one year</u>		
Unsecured long-term bank loan	1,999	462

Details of any collateral

Excluded in the borrowings above are lease liabilities of \$109,791,000 (31 March 2023: \$112,704,000) which are secured over the right-of-use assets.

16. CAPITAL EXPENDITURE COMMITMENTS

The Group and the Company have commitments for capital expenditure, with an aggregate value of approximately \$86,815,000 (31 March 2023: \$55,455,000) and \$84,900,000 (31 March 2023: \$51,848,595) respectively.

In addition, the Group's share of a joint venture company's commitments for capital expenditure is approximately \$2,729,000 (31 March 2023: \$2,812,000).

The Group and the Company will review the need and timing of these commitments to conserve cash where prudent to deal with continuing uncertainties from macroeconomic headwinds, inflationary pressures and ongoing geopolitical conflicts.

17. FINANCIAL INSTRUMENTS (in thousands of \$)

Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

17. FINANCIAL INSTRUMENTS (in thousands of \$) (continued)

Fair values (continued)

Financial instruments carried at fair value

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	The Group and Company 30 September 2023			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs, other than quoted price (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
<u>Financial liability</u>				
Currency hedging contracts	–	(431)	–	(431)
Contingent consideration	–	–	(982)	(982)
	–	(431)	(982)	(1,413)

	The Group and Company 31 March 2023			Total
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs, other than quoted price (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
<u>Financial asset</u>				
Currency hedging contracts	–	803	–	803
<u>Financial liability</u>				
Contingent consideration	–	–	(967)	(967)
	–	803	(967)	(164)

17. FINANCIAL INSTRUMENTS (in thousands of \$) (continued)

Fair values (continued)

Level 2 fair value measurements

The Group and Company have carried all derivative instruments at their fair values.

The fair value of forward currency contracts is determined by reference to current forward exchange rates for contracts with similar maturity profiles.

Financial instruments whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the following financial assets and financial liabilities are reasonable approximations of their fair values due to their short-term nature: cash and bank balances, short-term deposits, amounts owing by/to related parties, immediate holding company, loans, contract assets and liabilities, trade and other debtors and creditors.

The carrying amount of the long-term loan is reasonable approximation of fair value as the loan is a floating rate loan that is re-priced to market interest rate up to half-yearly.

Level 3 fair value measurements

The fair value of the contingent consideration is determined by reference to specific debts provisioning and insurance claims to be settled post-acquisition.

18. SEGMENT INFORMATION (in thousands of \$)

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 half years ended 30 September 2023 and 30 September 2022 and certain assets information of the operating segments as at 30 September 2023 and 31 March 2023.

18. SEGMENT INFORMATION (in thousands of \$) (continued)

Operating segments

1st Half 2023/24

	Airframe and line Notes maintenance	Engine and component	Total segments	Elimination and adjustments	Per consolidated financial statements
SEGMENT REVENUE					
External revenue					
Company and subsidiaries	398,604	115,379	513,983	–	513,983
Associated companies (a)	23,761	1,519,328	1,543,089	(1,543,089)	–
Joint venture company (a)	–	2,068,884	2,068,884	(2,068,884)	–
Inter-segment revenue (b)	681	1,060	1,741	(1,741)	–
	<u>423,046</u>	<u>3,704,651</u>	<u>4,127,697</u>	<u>(3,613,714)</u>	<u>513,983</u>
Segment results					
Company and subsidiaries	15,480	(15,360)	120	–	120
Associated companies (a)	4,032	84,341	88,373	(88,373)	–
Joint venture company (a)	–	27,260	27,260	(27,260)	–
	<u>19,512</u>	<u>96,241</u>	<u>115,753</u>	<u>(115,633)</u>	<u>120</u>
Interest income					12,319
Share of profits of associated companies, net of tax				35,009	35,009
Share of profits of a joint venture company, net of tax				15,034	15,034
Other unallocated amounts					<u>(1,994)</u>
Profit before taxation (c)					60,488
Taxation					<u>(1,142)</u>
Profit for the financial period					<u>59,346</u>
<u>Other segment items</u>					
Depreciation	21,329	7,883	29,212	–	29,212
Amortisation of intangible assets	1,555	1,210	2,765	–	2,765
<u>Segment assets as at 30 September 2023</u>					
Property, plant and equipment	99,318	79,372	178,690	–	178,690
Right-of-use assets	97,905	10,782	108,687	–	108,687
Intangible assets	20,369	22,615	42,984	–	42,984
Investment in associated/joint venture companies	12,582	721,167	733,749	–	733,749
Other unallocated assets (d)					956,810
Total assets	<u>230,174</u>	<u>833,936</u>	<u>1,064,110</u>	<u>–</u>	<u>2,020,920</u>

18. SEGMENT INFORMATION (in thousands of \$) (continued)

Operating segments (continued)

	<u>1st Half 2022/23</u>				Per
	Airframe and line Notes maintenance	Engine and component	Total segments	Elimination and adjustments	consolidated financial statements
SEGMENT REVENUE					
External revenue					
Company and subsidiaries	293,315	68,902	362,217	–	362,217
Associated companies (a)	21,783	1,145,165	1,166,948	(1,166,948)	–
Joint venture company (a)	–	1,896,335	1,896,335	(1,896,335)	–
Inter-segment revenue (b)	–	69	69	(69)	–
	315,098	3,110,471	3,425,569	(3,063,352)	362,217
Segment results					
Company and subsidiaries	(1,649)	(9,151)	(10,800)	–	(10,800)
Associated companies (a)	(7,635)	61,008	53,373	(53,373)	–
Joint venture company (a)	–	38,328	38,328	(38,328)	–
	(9,284)	90,185	80,901	(91,701)	(10,800)
Interest income					3,107
Share of profits of associated companies, net of tax				24,610	24,610
Share of profits of a joint venture company, net of tax				16,795	16,795
Other unallocated amounts					(1,030)
Profit before taxation (c)					32,682
Taxation					(107)
Profit for the financial period					32,575
<u>Other segment items</u>					
Depreciation	22,525	6,792	29,317	–	29,317
Amortisation of intangible assets	1,189	1,066	2,255	–	2,255
<u>Segment assets as at 31 March 2023</u>					
Property, plant and equipment	102,567	72,576	175,143	–	175,143
Right-of-use assets	104,159	8,223	112,382	–	112,382
Intangible assets	18,164	22,614	40,778	–	40,778
Investment in associated/joint venture companies	22,082	663,222	685,304	–	685,304
Other unallocated assets (d)					969,771
Total assets	246,972	766,635	1,013,607	–	1,983,378

18. SEGMENT INFORMATION (in thousands of \$) (continued)

Operating segments (continued)

Notes:

- (a) 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.
- (b) Inter-segment revenues are eliminated on consolidation.
- (c) The following items are (deducted)/added from segment results to arrive at "profit before taxation" presented in the consolidated income statement:

	1st Half 2023/24	1st Half 2022/23
Finance charges	(2,145)	(1,007)
Surplus/(Loss) on disposal of property, plant and equipment and intangible assets	151	(23)
	(1,994)	(1,030)

- (d) The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	30 Sep 2023	31 Mar 2023
Deferred tax assets	17,064	17,539
Current assets	939,746	952,232
	956,810	969,771

Geographical segments

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

	Revenue		Non-current assets	
	1st Half 2023/24	1st Half 2022/23	30 Sep 2023	31 Mar 2023
East Asia	369,351	283,700	1,061,130	1,010,564
Europe	68,748	35,185	–	–
South West Pacific	14,532	6,131	–	–
Americas	44,159	27,601	20,044	20,582
West Asia and Africa	17,193	9,600	–	–
Total	513,983	362,217	1,081,174	1,031,146

18. SEGMENT INFORMATION (in thousands of \$) (continued)

Geographical segments (continued)

For the period ended 30 September 2023, revenue of approximately \$316,517,000 (30 September 2022: \$249,900,000) was from customers located in Singapore. The remaining revenue from customers in other countries were individually insignificant.

As at 30 September 2023, non-current assets of approximately \$1,009,056,000 (31 March 2023: \$963,544,000) were located in Singapore. The remaining non-current assets located in other countries were individually insignificant.

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 deferred tax assets as presented in the consolidated balance sheet.

Major customers

Revenue from one major customer amounted to approximately \$269,091,000 (30 September 2022: \$206,750,000), arising from services provided by airframe and line maintenance segment.

19. RELATED PARTY TRANSACTIONS (in thousands of \$)

Sale and purchase of goods and services

	The Group	
	1st Half	1st Half
	2023/24	2022/23
<u>Income</u>		
Sales of services and related materials to:		
- the immediate holding company and related corporations	306,499	231,604
- associated companies	1,403	8,996
- a joint venture company	125	2,138
- others	2	-
<u>Expense</u>		
Management fees charged by the immediate holding company for corporate, general and administrative, technical and insurance services and equipment leases	7,621	5,973
Rental of hangars, workshops and office space charged by the immediate holding company	9,097	9,451
Purchases of materials from the immediate holding company and fellow subsidiaries	39,291	32,390
Purchases of goods from:		
- associated companies	3,600	3,100
- a joint venture company	48	532
- others	12,040	9,884

Compensation of key management personnel

There were no changes to key management personnel and the compensation scheme in the first half of FY2023/24.

20. ACQUISITION OF ASSOCIATED COMPANY

On 10 August 2023, the Group acquired 49% of the share capital of Pos Aviation Engineering Services Sdn Bhd ("PAES") for approximately \$1,165,000 cash consideration. As a result, PAES became an associated company of the Group.

This acquisition expands the Group's geographical presence, enabling it to serve an even broader customer base across multiple locations in the Asia-Pacific region.

21. LOAN TO A SUBSIDIARY COMPANY

During the financial period ended 30 September 2023, the Company extended a loan to a subsidiary company of approximately \$8,855,000. The loan bears interest of 7.36% to 7.57% per annum. The loan is non-trade related, unsecured and repayable in tranches till maturity date August 2025.

22. SUBSEQUENT EVENTS

On 2 June 2023, the Company announced that it entered into a Share Purchase agreement with JAMCO Corporation for the acquisition of additional 10% shareholding in JAMCO Aero Design & Engineering Private Limited ("JADE"). The consideration for the purchase of the additional 10% stake in JADE is approximately \$1,241,000.

Following completion of the acquisition in October 2023, the Group's equity interest in JADE increased from 45% to 55%, thereby obtaining control of JADE. A gain on equity investment method of approximately \$2,102,000 was recognised in profit or loss and the provisional goodwill arising from the acquisition is estimated to be \$4,672,000, pending completion of the purchase price allocation exercise.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 1. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. The Singapore standard on auditing 910 (engagements to review financial statements), or an equivalent standard).**

The figures have not been audited nor reviewed by the auditors.

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

Not applicable.

- 3. 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

First Half FY2023-24

For the first half of the financial year ended 30 September 2023, the Group's operating performance improved by \$10.9 million year-on-year to a small operating profit of \$0.1 million. Against last year's low base, Group revenue grew 41.9% to \$514.0 million, largely driven by the increase in flight activities. All operating segments recorded higher revenue. Group expenditure also increased, but at a lower rate of 37.8% to \$513.9 million. The increase in expenditure was mainly due to higher manpower costs, materials costs, equipment running costs and debt impairment provision for a customer that has suspended operations.

As demand for aircraft maintenance, repair and overhaul rose with the recovery of flight activities, share of profits of associated and joint venture companies increased \$8.6 million (+20.8%) year-on-year to \$50.0 million. The breakdown of contribution by segments is as follows:

- \$48.5 million (+\$6.8 million) from the engine and component segment, and
- \$1.5 million (+\$1.8 million) from the airframe and line maintenance segment.

The Group's net profit for the first half ended 30 September 2023 was \$59.3 million, an improvement of \$26.8 million year-on-year.

Basic earnings per share for the first half of the financial year ended 30 September 2023 was 5.28 cents.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

GROUP EARNINGS (continued)

Second Quarter FY2023-24

For the second quarter, the Group recorded an operating loss of \$0.3 million, an improvement of \$6.5 million year-on-year as revenue growth of 32.2% outpaced the 27.8% increase in expenditure. Expenditure increased mainly due to higher manpower costs, material costs, equipment running costs and debt impairment provision for a customer that has suspended operations.

Share of profits of associated and joint venture companies for the quarter was \$28.1 million, an improvement of \$3.1 million (+12.4%) year-on-year, mainly from the engine and component segment.

The Group recorded a net profit of \$32.3 million for the quarter ended 30 September 2023, which was \$12.6 million higher year-on-year.

Basic earnings per share for the second quarter was 2.87 cents.

GROUP FINANCIAL POSITION

As at 30 September 2023, equity attributable to owners of the parent was \$1,679.4 million, an increase of \$13.3 million (+0.8%) from 31 March 2023, mainly due to an increase in foreign currency translation reserve and profits earned for the period.

Total assets stood at \$2,020.9 million as of 30 September 2023, an increase of \$37.7 million (1.9%) from 31 March 2023. The Group's cash balance was \$593.7 million.

Net asset value per share as at 30 September 2023 was 149.5 cents.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast was previously provided.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

5. 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 UPDATE

Demand for aircraft maintenance, repair and overhaul (“MRO”) services for the half-year ended 30 September 2023 continued to be supported by the recovery in flight activities. With robust traffic recovery at Changi Airport, the number of flights handled by our Line Maintenance unit in Singapore reached 87% of pre-pandemic levels in the period, compared to 55% a year ago.

At Base Maintenance, demand for hangar checks remained strong. Besides generating additional capacity in Singapore through Lean practices to take advantage of the increase in demand, we incorporated a wholly-owned subsidiary in Malaysia, namely Base Maintenance Malaysia, in preparation for the expansion of our base maintenance network to include hangars in that country.

Similarly, the volume of inductions at our joint-venture engine and component shops has also increased. While supply chain disruptions and parts shortages continued to impact turnaround times, most of these shops have been able to deliver increases in output.

The completion of our acquisition of 49% of the share capital of Pos Aviation Engineering Services in Malaysia expanded the Group’s geographical presence to 36 stations in eight countries. Additionally, we have signed a joint venture agreement to establish a line maintenance joint venture at the upcoming Techo International Airport in Phnom Penh, Cambodia.

We have also made progress in our efforts to expand our MRO capabilities. Our subsidiary, Asia Pacific Aircraft Component Services, was awarded additional licences by Honeywell to perform repair activities on the latter’s Air Data Inertial Reference Unit products on Airbus aircraft and Pre-Cooler Control Valve products on Boeing 737 aircraft. In addition, we have signed an agreement with Eaton to form a component MRO joint venture to inspect, test, repair, maintain, modify and overhaul Eaton-manufactured aircraft components installed on airframe and engine fuel systems and hydraulics systems.

Amongst our technology adoption initiatives to boost our competitiveness and enhance value for our customers and stakeholders, we developed a suite of digital applications, under a unified digital platform, to support the dynamic and challenging operating environment at Line Maintenance. Through these applications, our staff and customers can access the latest information across operations workflows from maintenance task planning, assignment and tracking to reporting and task closure. We are honoured to be recognised for these efforts with the “Innovation of the Year” Award by Aviation Week Network, at the MRO Asia-Pacific Awards 2023.

OUTLOOK

Driven by pent-up demand for air travel since the removal of travel restrictions in most countries, we have seen a robust recovery of flight activities which has, in turn, fuelled stronger demand for MRO work. While the rebound is encouraging, the industry still faces headwinds from macroeconomic and geopolitical uncertainties, inflationary pressures, supply chain disruptions and a tight labour market. These could weigh on business demand and operating margin recovery in the near-term. As part of our ongoing efforts to stay competitive, we continue to drive productivity and efficiency through our Continuous Improvement programme while closely managing costs amid inflationary pressures.

We also remain committed to seeking organic and inorganic growth opportunities that would enable the Group to serve a broader customer base and strengthen its position as a leading provider of MRO services in the Asia-Pacific region. To that end, we continue to explore avenues to enhance our MRO

capabilities and expand our geographical reach into new markets whilst nurturing our portfolio of partnerships and joint ventures.

6. Dividend

(a) Current Financial Period Reported on

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

Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	2.0 cents per ordinary share
Tax rate	Tax exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

The interim dividend will be paid on 29 November 2023.

(d) Books closure date

Notice is hereby given that duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrars, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 up to 5 p.m. on 10 November 2023 will be registered to determine shareholders' entitlements to the interim dividend. Thereafter the Share Transfer Books and the Register of Members of the Company will be closed on 14 November 2023 for the preparation of dividend warrants. The interim dividend will be paid on 29 November 2023 to members on the Register as at 10 November 2023.

7. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company has no subsidiary holdings as at 30 September 2023 and 30 September 2022. There were no sales, transfers, cancellation and/or use of subsidiary holdings for the period 1 April 2023 to 30 September 2023.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

8. Interested Person Transactions (in thousands of \$)

The aggregate value of all interested person transactions ("IPTs") entered into during the half year ended 30 September 2023 are as follows:

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)
<u>Singapore Airlines Group</u>			
Singapore Airlines Limited	Controlling shareholder of SIAEC	–	387,941*
Scot TigerAir Pte Ltd	Wholly-owned subsidiary of SIAEC's	–	748
Singapore Aviation and General Insurance Company (Pte) Ltd	controlling shareholder	–	497
Tata SIA Airlines Limited	Associate of SIAEC's controlling shareholder	–	910
<u>Singtel Group</u>			
Hope Technik Pte Ltd	Associate of Temasek Holdings (Private) Limited ("Temasek")	–	316
NCS Communications Engineering Pte Ltd	Associate of Temasek	–	204
<u>Non-listed Associates of Temasek</u>			
Aetos Integrated Solutions Pte Ltd	Associate of Temasek	–	199
<u>ST Engineering Group</u>			
ST Engineering Aerospace Systems Pte Ltd	Associate of Temasek	–	197
Total		–	391,012

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

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.

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

9. 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
2 November 2023

Singapore Co. Regn. No.: 198201025C

CONFIRMATION BY THE BOARD

We, Tang Kin Fei and Chin Yau Seng, being two directors of SIA Engineering Company Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited interim financial results for the half year ended 30 September 2023 to be false or misleading in any material respect.

On behalf of the Board,



TANG KIN FEI
Chairman



CHIN YAU SENG
Chief Executive Officer

2 November 2023