

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

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A. CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022 (in thousands of \$)

		The Group	
	Notes	1st Half 2022/23	1st Half 2021/22
REVENUE	4	362,217	263,531
EXPENDITURE			
Staff costs	5	191,951	127,199
Material costs		53,784	38,681
Depreciation		29,317	30,217
Amortisation of intangible assets		2,255	1,651
Company accommodation		8,986	7,753
Subcontract costs		39,698	25,146
Other operating expenses		47,026	39,562
		<u>373,017</u>	<u>270,209</u>
OPERATING LOSS	6	(10,800)	(6,678)
Interest income		3,107	987
Finance charges		(1,007)	(1,275)
Loss on disposal of property, plant and equipment and intangible assets		(23)	(213)
Share of profits of associated companies, net of tax		24,610	21,473
Share of profits of a joint venture company, net of tax		16,795	5,367
PROFIT BEFORE TAXATION		32,682	19,661
Taxation		(107)	5,324
PROFIT FOR THE FINANCIAL PERIOD		32,575	24,985
PROFIT ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		32,489	25,028
Non-controlling interests		86	(43)
		<u>32,575</u>	<u>24,985</u>
BASIC EARNINGS PER SHARE (CENTS)	7	<u>2.89</u>	<u>2.23</u>
DILUTED EARNINGS PER SHARE (CENTS)	7	<u>2.88</u>	<u>2.22</u>

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 2022 (in thousands of \$)

	The Group	
	1st Half 2022/23	1st Half 2021/22
PROFIT FOR THE FINANCIAL PERIOD	32,575	24,985
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	(8)	(2)
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation of foreign operations	42,505	8,297
Net fair value adjustment on cash flow hedges	2,583	307
Share of other comprehensive income of associated/joint venture companies	(7,328)	(652)
	<hr/> 37,760	<hr/> 7,952
Other comprehensive income, net of tax	<hr/> 37,752	<hr/> 7,950
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<hr/> 70,327	<hr/> 32,935
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
OWNERS OF THE PARENT	69,726	32,870
Non-controlling interests	601	65
	<hr/> 70,327	<hr/> 32,935

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

C. CONDENSED INTERIM BALANCE SHEETS AS AT 30 SEPTEMBER 2022 (in thousands of \$)

	Notes	The Group		The Company	
		30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	9	420,044	420,044	420,044	420,044
Treasury shares	10	(1,017)	(5,776)	(1,017)	(5,776)
Capital reserve		(482)	1,506	(482)	1,506
Share-based compensation reserve		3,271	5,110	3,271	5,110
Foreign currency translation reserve		21,111	(19,843)	0	–
Fair value reserve	11	(3,617)	92	3,708	1,125
Equity transaction reserve		(2,173)	(2,173)	0	–
General reserve		1,244,307	1,211,826	798,192	796,767
		1,681,444	1,610,786	1,223,716	1,218,776
NON-CONTROLLING INTERESTS					
		11,241	10,620	–	–
TOTAL EQUITY		1,692,685	1,621,406	1,223,716	1,218,776
NON-CURRENT LIABILITIES					
Deferred tax liabilities		603	545	–	–
Lease liabilities		36,378	38,424	29,324	32,721
		36,981	38,969	29,324	32,721
		1,729,666	1,660,375	1,253,040	1,251,497
Represented by:					
PROPERTY, PLANT AND EQUIPMENT	12	176,835	156,901	138,210	120,457
RIGHT-OF-USE ASSETS		51,979	63,005	43,999	56,841
INTANGIBLE ASSETS		40,007	32,786	16,540	11,931
SUBSIDIARY COMPANIES		–	–	144,092	135,090
ASSOCIATED COMPANIES		490,709	448,469	175,275	175,275
JOINT VENTURE COMPANY		225,106	202,756	61,867	61,867
DEFERRED TAX ASSETS	13	16,664	17,603	16,262	16,598
PREPAYMENTS		1,471	3,891	–	–
CURRENT ASSETS					
Trade debtors		29,779	35,351	17,894	24,290
Contract assets		156,721	124,562	148,955	118,770
Prepayments and other debtors		48,000	36,870	35,346	27,320
Amounts owing by immediate holding company		36,552	36,465	36,175	36,130
Amounts owing by related parties		20,724	20,703	27,065	26,790
Inventories		35,703	32,994	20,283	21,140
Short-term deposits		565,439	584,007	551,938	570,081
Cash and bank balances		40,209	41,470	20,479	13,486
		933,127	912,422	858,135	838,007
Assets held for sale	12	360	360	360	360
		933,487	912,782	858,495	838,367
Less:					
CURRENT LIABILITIES					
Trade and other creditors		160,541	127,897	143,334	108,896
Contract liabilities		22,335	12,703	21,098	12,648
Lease liabilities		19,663	28,507	17,789	27,254
Amounts owing to related parties		167	1,456	15,018	11,670
Bank loans	14	–	2,801	–	–
Tax payable		3,886	4,454	4,461	4,461
		206,592	177,818	201,700	164,929
NET CURRENT ASSETS		726,895	734,964	656,795	673,438
		1,729,666	1,660,375	1,253,040	1,251,497

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 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	10	–	(1,059)	–	–	–	–	–	–	(1,059)	–		(1,059)
Treasury shares reissued pursuant to equity compensation plans	10	–	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	19	–	–	–	–	–	–	–	–	–	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 2021 (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 2021		420,044	(9,769)	2,772	4,783	(23,809)	(2,300)	(2,173)	1,144,145	1,533,693	10,593		1,544,286
Profit for the period		–	–	–	–	–	–	–	25,028	25,028	(43)		24,985
Actuarial loss on remeasurement of defined benefit plan		–	–	–	–	–	–	–	(2)	(2)	–		(2)
Foreign currency translation		–	–	–	–	8,189	–	–	–	8,189	108		8,297
Net fair value adjustment on cash flow hedges		–	–	–	–	–	307	–	–	307	–		307
Share of other comprehensive income of associated/joint venture companies		–	–	–	–	103	(755)	–	–	(652)	–		(652)
Other comprehensive income, net of tax		–	–	–	–	8,292	(448)	–	(2)	7,842	108		7,950
Total comprehensive income for the period		–	–	–	–	8,292	(448)	–	25,026	32,870	65		32,935
Share-based compensation expense		–	–	–	1,440	–	–	–	–	1,440	–		1,440
Share awards released	10	–	2,727	–	(2,727)	–	–	–	–	–	–		–
Treasury shares reissued pursuant to equity compensation plans	10	–	1,266	(1,266)	–	–	–	–	–	–	–		–
Dividends		–	–	–	–	–	–	–	–	–	(391)		(391)
Total contributions by and distributions to owners		–	3,993	(1,266)	(1,286)	–	–	–	–	1,440	(391)		1,049
Balance at 30 September 2021		420,044	(5,776)	1,506	3,496	(15,517)	(2,748)	(2,173)	1,169,171	1,568,003	10,267		1,578,270

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	10	–	(1,059)	–	–	–	–	(1,059)
Treasury shares reissued pursuant to equity compensation plans	10	–	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.

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021 (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 2021		420,044	(9,769)	2,772	4,783	669	786,180	1,204,679
Profit for the period		–	–	–	–	–	6,319	6,319
Other comprehensive income for the period, net of tax:								
Net fair value adjustment on cash flow hedges		–	–	–	–	307	–	307
Total comprehensive income for the period		–	–	–	–	307	6,319	6,626
Share-based compensation expense		–	–	–	1,440	–	–	1,440
Share awards released	10	–	2,727	–	(2,726)	–	–	–
Treasury shares reissued pursuant to equity compensation plans	10	–	1,266	(1,266)	–	–	–	–
Total contributions by and distributions to owners		–	3,993	(1,266)	(1,286)	–	–	1,440
Balance at 30 September 2021		420,044	(5,776)	1,506	3,497	976	792,499	1,212,745

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 2022 (in thousands of \$)

	1st Half 2022/23	1st Half 2021/22
Profit before taxation	32,682	19,661
Adjustments for:		
Depreciation	29,317	30,217
Amortisation of intangible assets	2,255	1,651
(Reversal of)/impairment loss allowance for trade receivables, contract assets and amounts owing by related parties	(1,643)	243
Share-based compensation expense	1,991	1,440
Unrealised exchange differences	(3,832)	(1,052)
Interest income	(3,107)	(987)
Finance charges	1,007	1,275
Loss on disposal of property, plant and equipment and intangible assets	23	213
Share of profits of associated and joint venture companies, net of tax	(41,405)	(26,840)
Operating profit before working capital changes	17,288	25,821
Decrease in debtors	3,638	12,949
(Increase)/Decrease in contract assets	(32,072)	740
Decrease in inventories	57	1,767
Increase in creditors	34,252	3,975
Increase/(Decrease) in contract liabilities	9,632	(1,107)
Decrease in amounts owing by immediate holding company	1,726	50,827
Increase in amounts owing by related parties, net	(1,301)	(859)
Cash generated from operations	33,220	94,113
Income taxes paid	(107)	(5,514)
NET CASH PROVIDED BY OPERATING ACTIVITIES	33,113	88,599

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 2022 (in thousands of \$)

	Notes	1st Half 2022/23	1st Half 2021/22
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	12	(32,274)	(7,011)
Purchase of intangible assets		(6,774)	(2,145)
Proceeds from disposal of property, plant and equipment and intangible assets		11	392
Acquisition of subsidiary, net of cash acquired	19	(4,243)	–
Dividends received from associated companies		6,730	6,801
Interest received from deposits		1,298	1,005
NET CASH USED IN INVESTING ACTIVITIES		(35,252)	(958)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid by subsidiary companies to non-controlling interests		(1,150)	(391)
Finance charges received/(paid)		1	(52)
Repayment of borrowings		(2,855)	(3,217)
Repayment of lease liabilities		(15,330)	(14,684)
Purchase of treasury shares	10	(1,059)	–
NET CASH USED IN FINANCING ACTIVITIES		(20,393)	(18,344)
NET CASH (OUTFLOW)/INFLOW		(22,532)	69,297
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		625,477	615,964
Effect of exchange rate changes		2,703	380
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		605,648	685,641
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Short-term deposits		565,439	616,555
Cash and bank balances		40,209	69,086
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD		605,648	685,641

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 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 2022 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 19 to the audited financial statements for the year ended 31 March 2022. 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 2022 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 2022 ("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 2022. 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 2022 except for the acquisition of subsidiary: fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed at 30 September 2022 further described in Note 19: -

- i) 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 recognized in the period in which the estimates are revised and in any future periods affected.

4. REVENUE (in thousands of \$)

	The Group	
	1st Half 2022/23	1st Half 2021/22
Airframe and line maintenance	293,315	217,755
Engine and component	68,902	45,776
	<u>362,217</u>	<u>263,531</u>

With repositioning of the fleet management unit, management has updated the major service lines of the Group presented. Further details of the revised segment information are disclosed in Note 17.

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 2022/23	1st Half 2021/22	1st Half 2022/23	1st Half 2021/22	1st Half 2022/23	1st Half 2021/22
Primary geographical markets						
East Asia	234,967	177,422	48,733	38,289	283,700	215,711
Europe	26,955	18,628	8,230	792	35,185	19,420
South West Pacific	4,735	1,311	1,396	610	6,131	1,921
Americas	18,424	7,788	9,177	5,696	27,601	13,484
West Asia and Africa	8,234	12,606	1,366	389	9,600	12,995
	293,315	217,755	68,902	45,776	362,217	263,531
Major service line						
Services rendered	293,315	217,755	68,902	45,776	362,217	263,531
	293,315	217,755	68,902	45,776	362,217	263,531
Timing of revenue recognition						
Transferred over time	293,315	217,755	68,902	45,776	362,217	263,531
	293,315	217,755	68,902	45,776	362,217	263,531

(b) Seasonality of operations

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

5. STAFF COSTS (in thousands of \$)

During the half year ended 30 September 2022, staff costs were offset by the following items:

- (a) \$11,113,000 (30 September 2021: \$50,587,000) of government grants, namely the wage support provided by the Singapore Government measured at 30% to 50% (30 September 2021: 30% to 75%) of the qualifying wages recorded by group entities; and
- (b) Nil (30 September 2021: \$4,650,000) of wage subsidy under the Payroll Support Program and Employee Retention Credit scheme announced by the United States of America ("USA") Government to support business that were significantly affected by COVID-19. Such scheme was extended to a subsidiary incorporated in USA.

6. OPERATING LOSS (in thousands of \$)

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

	The Group 1 st Half 2022/23	1 st Half 2021/22
(Reversal of)/Impairment loss allowance for trade receivables, contract assets and amounts owing by related parties	(1,643)	243
Net exchange gain	(3,454)	(771)
Provision for obsolete stocks, net	1,525	1,000

7. EARNINGS PER SHARE

	The Group 1 st Half 2022/23	1 st Half 2021/22
Profit attributable to owners of the parent (in thousands of \$)	32,489	25,028
Weighted average number of ordinary shares in issue used for computing basic earnings per share*	1,123,210,887	1,121,957,103
Adjustment for dilutive potential ordinary shares	4,375,100	4,039,223
Weighted average number of ordinary shares in issue used for computing diluted earnings per share	1,127,585,987	1,125,996,326
Basic earnings per share (cents)	2.89	2.23
Diluted earnings per share (cents)	2.88	2.22

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

7. EARNINGS PER SHARE (continued)

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.

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. NET ASSET VALUE

	Group		Company	
	As at 30 Sep 22	As at 31 Mar 22	As at 30 Sep 22	As at 31 Mar 22
Net asset value per ordinary share* (cents)	149.6	143.5	108.9	108.6

* Excluding treasury shares

9. SHARE CAPITAL (in thousands of \$)

	The Group and Company			
	30 September 2022		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
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 2022.

As at 30 September 2022, the Company has an issued share capital of 1,123,695,722 ordinary shares (31 March 2022: 1,122,511,619) excluding 420,638 ordinary shares (31 March 2022: 1,604,741) held by the Company as treasury shares.

The Company has no subsidiary holdings as at 30 September 2022 and 31 March 2022.

9. 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 2022, the number of outstanding shares granted under the Company's RSP and PSP were 2,443,073 (30 September 2021: 2,413,382) and 1,142,800 (30 September 2021: 1,049,000) respectively. The movement of these share awards during the half year from 1 April 2022 to 30 September 2022 is as follows:

RSP

Number of Restricted shares					
Date of grant	Balance at 01.04.2022/ date of grant	Adjustments*	Cancelled	Released	Balance at 30.09.2022
05.07.2019	258,877	—	(1,600)	(257,277)	—
07.07.2020	801,673	—	(10,856)	(432,095)	358,722
04.01.2021	5,005	—	—	(2,500)	2,505
07.07.2021	1,242,618	123,660	(31,068)	(505,052)	830,158
05.11.2021	11,000	1,100	—	(4,000)	8,100
07.07.2022	1,258,888	—	(15,300)	—	1,243,588
Total	3,578,061	124,760	(58,824)	(1,200,924)	2,443,073

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

PSP

Number of Performance shares					
Date of grant	Balance at 01.04.2022/ date of grant	Adjustments*	Cancelled	Released	Balance at 30.09.2022
05.07.2019	273,400	(220,424)	—	(52,976)	—
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	—	—	—	357,500
Total	1,416,200	(220,424)	—	(52,976)	1,142,800

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

9. 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.

For DSA granted in 2022, the first release of shares was vested on the award date. At the final vesting date, an additional final award will be vested equal to Base Award multiplied by 20%. The details of the DSA are as follows:

Date of grant	Number of Deferred shares				Balance at 30.09.2022
	Balance at 01.04.2022/ date of grant	Adjustments*	Cancelled	Released	
05.07.2019	173,278	7,925	–	(181,203)	–
07.07.2020	155,616	–	–	–	155,616
07.07.2021	247,947	–	–	–	247,947
07.07.2022	578,564	–	–	(192,900)	385,664
Total	1,155,405	7,925	–	(374,103)	789,227

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

10. TREASURY SHARES (in thousands of \$)

	The Group and Company	
	30 Sep 2022	31 Mar 2022
Balance at 1 April	(5,776)	(9,769)
Purchase of treasury shares	(1,059)	–
Treasury shares reissued pursuant to equity compensation plans:		
- RSP/PSP awarded	3,830	2,727
- Loss on reissuance of treasury shares	1,988	1,266
	5,818	3,993
Balance at 30 September and 31 March	(1,017)	(5,776)

During the period from 1 April 2022 to 30 September 2022, the Company purchased 443,900 (1 April 2021 to 30 September 2021: Nil) of its ordinary shares by way of on-market purchases at share prices ranging from \$2.24 to \$2.47 (1 April 2021 to 30 September 2021: Nil). The total amount paid to purchase the shares was approximately \$1,059,000 (1 April 2021 to 30 September 2021: nil) and this is presented as a component within equity attributable to owners of the Parent.

The Company transferred 1,628,003 treasury shares to employees on vesting of share-based incentive plans (1 April 2021 to 30 September 2021: 1,109,033 on vesting of share-based incentive plans).

11. 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 2022	31 Mar 2022
Balance at 1 April	92	(2,300)
Net gain/(loss) on fair value adjustment	2,182	520
Recognised in "other operating expenses" in profit or loss on occurrence of forecast transactions	401	(64)
Share of other comprehensive income of a joint venture company	(6,292)	1,936
Balance at 30 September and 31 March	<u>(3,617)</u>	<u>92</u>

	The Company	
	30 Sep 2022	31 Mar 2022
Balance at 1 April	1,125	669
Net gain/(loss) on fair value adjustment	2,182	520
Recognised in "other operating expenses" in profit or loss on occurrence of forecast transactions	401	(64)
Balance at 30 September and 31 March	<u>3,708</u>	<u>1,125</u>

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2022, the Group acquired property, plant and equipment with a cost of \$32,274,000 (six months ended 30 September 2021: \$7,011,000). \$559,000 of property, plant and equipment was acquired through business combination (Note 19) during the period.

Assets held for sale

As at 30 September 2022, the remaining assets held for sale continue to be actively marketed. The Group has attributed the additional time required to complete the sale of these rotables to COVID-19 pandemic. During the six months ended 30 September 2022, the Group disposed of assets held for sale amounting to nil (six months ended 30 September 2021: \$237,000).

The fair value of rotables fall under level 3 of fair value hierarchy.

13. 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 deferred tax assets as at 30 September 2022 of \$16,664,000 (31 March 2022: 17,603,000) represent mainly tax losses that arose from business impact from the COVID-19 pandemic. With expectation of a gradual recovery in flight operations, Management has forecast certain group entities to be generating future taxable profits in the foreseeable future to utilise these carry-forward tax losses.

14. BANK LOANS (in thousands of \$)

The Group
30 Sep 2022 31 Mar 2022

Amount repayable within one year or on demand
 Unsecured revolving credit facilities

	–	2,801
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Details of any collateral

Excluded in the borrowings above are lease liabilities of \$56,041,000 (31 March 2022: \$66,931,000) which are secured over the right-of-use assets.

15. CAPITAL EXPENDITURE COMMITMENTS (in thousands of \$)

The Group and the Company have commitments for capital expenditure, with an aggregate value of approximately \$47,290,000 (31 March 2022: \$51,022,000) for the Group and \$47,161,000 (31 March 2022: \$49,994,000) for the Company.

In addition, the Group's share of a joint venture company's commitments for capital expenditure is approximately \$4,114,000 (31 March 2022: \$2,091,000).

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 COVID-19 pandemic and ongoing geopolitical conflicts.

16. 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).

16. FINANCIAL INSTRUMENTS (in thousands of \$) (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 2022			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		–	(1,490)	–	(1,490)
Contingent consideration		–	–	(982)	(982)
		–	(1,490)	(982)	(2,472)

		The Group and Company 31 March 2022			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		–	109	–	109
<u>Financial liability</u>					
Contingent consideration		–	–	(984)	(984)
		–	109	(984)	(875)

16. 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, contract assets and liabilities, trade and other debtors and creditors.

Level 3 fair value measurements

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

17. 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 2022 and 30 September 2021 and certain assets information of the operating segments as at 30 September 2022 and 31 March 2022.

Effective from 1 April 2022, component shops and fleet management unit previously presented as part of Airframe and Line Maintenance segment was integrated into newly set up Component Services Division in efforts to position for recovery and growth in demand for component MRO. The new division is presented in Engine and Component segment.

This represents a change to the operating segments reported in the previous financial half-year. The previously reported segment results for the half-year ended 30 September 2021 have been restated to be comparable with the revised segmentation approach as required by IFRS 8 Operating Segments.

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

Operating Segments

		1 st Half 2022/23				
	Notes	Airframe and Line Maintenance	Engine and Component	Total segments	Elimination and adjustments	Per 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 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 30 September 2022</u>						
Property, plant and equipment		104,357	72,478	176,835	–	176,835
Right-of-use assets		43,557	8,422	51,979	–	51,979
Intangible assets		15,583	24,424	40,007	–	40,007
Investment in associated/joint venture companies		19,733	696,082	715,815	–	715,815
Prepayments and other debtors		–	1,471	1,471	–	1,471
Other unallocated assets	(d)					950,151
Total assets		183,230	802,877	986,107	–	1,936,258

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

Operating Segments

1 st Half 2021/22 (Restated)						
		Airframe and Line Maintenance	Engine and Component	Total segments	Elimination and adjustments	Per consolidated financial statements
SEGMENT REVENUE						
External revenue						
Company and subsidiaries		217,755	45,776	263,531	–	263,531
Associated companies	(a)	33,499	1,123,163	1,156,662	(1,156,662)	–
Joint venture company	(a)	–	1,213,079	1,213,079	(1,213,079)	–
Inter-segment revenue	(b)	–	24	24	(24)	–
		251,254	2,382,042	2,633,296	(2,369,765)	263,531
Segment results						
Company and subsidiaries		2,924	(9,602)	(6,678)	–	(6,678)
Associated companies	(a)	(10,759)	69,865	59,106	(59,106)	–
Joint venture company	(a)	–	5,286	5,286	(5,286)	–
		(7,835)	65,549	57,714	(64,392)	(6,678)
Interest income						987
Share of profits of associated companies, net of tax					21,473	21,473
Share of profits of joint venture company, net of tax					5,367	5,367
Other unallocated amounts						(1,488)
Profit before taxation	(c)					19,661
Taxation						5,324
Profit for the financial period						24,985
<u>Other segment items</u>						
Depreciation		24,330	5,887	30,217	–	30,217
Amortisation of intangible assets		564	1,087	1,651	–	1,651
<u>Segment assets as at 31 Mar 2022</u>						
Property, plant and equipment		107,683	49,218	156,901	–	156,901
Right-of-use assets		55,360	7,645	63,005	–	63,005
Intangible assets		11,241	21,545	32,786	–	32,786
Investment in associated/joint venture companies		19,439	631,786	651,225	–	651,225
Prepayments and other debtors		–	3,891	3,891	–	3,891
Other unallocated assets	(d)					930,385
Total assets		193,723	714,085	907,808	–	1,838,193

17. SEGMENT INFORMATION (in thousands of \$) (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 from segment results to arrive at "profit before taxation" presented in the consolidated income statement:

	1st Half 2022/23	1st Half 2021/22
Finance charges	(1,007)	(1,275)
Loss on disposal of property, plant and equipment and intangible assets	(23)	(213)
	<u>(1,030)</u>	<u>(1,488)</u>

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

	30 Sep 2022	31 Mar 2022
Deferred tax assets	16,664	17,603
Current assets	933,487	912,782
	<u>950,151</u>	<u>930,385</u>

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 2022/23	1st Half 2021/22	30 Sep 2022	31 Mar 2022
East Asia	283,700	215,711	978,438	899,433
Europe	35,185	19,420	—	—
South West Pacific	6,131	1,921	—	—
Americas	27,601	13,484	24,333	25,978
West Asia and Africa	9,600	12,995	—	—
Total	<u>362,217</u>	<u>263,531</u>	<u>1,002,771</u>	<u>925,411</u>

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

For the period ended 30 September 2022, revenue of approximately \$249,900,000 (30 September 2021: \$194,186,000) was from customers located in Singapore. The remaining revenue from customers in other countries were individually insignificant.

As at 30 September 2022, non-current assets of approximately \$929,048,000 (31 March 2022: \$854,856,000) 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 prepayments and other debtors as presented in the consolidated balance sheet.

Major customers

Revenue from one major customer amounted to approximately \$206,750,000 (30 September 2021: \$154,266,000), arising from services provided by airframe and line maintenance segment.

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

Sale and purchase of goods and services

	The Group	
	1st Half 2022/23	1st Half 2021/22
<u>Income</u>		
Sales of services and related materials to:		
- the immediate holding company and related corporations	231,604	180,215
- associated companies	8,996	8,846
- a joint venture company	2,138	1,359
<u>Expense</u>		
Management fees charged by the immediate holding company for corporate, general and administrative, technical and insurance services and equipment leases	5,973	4,775
Rental of hangars, workshops and office space charged by the immediate holding company	9,451	8,958
Purchases of materials from the immediate holding company and fellow subsidiaries	32,390	25,087
Purchases of goods from:		
- associated companies	3,100	4,029
- a joint venture company	532	750
- others	9,884	8,797

Compensation of key management personnel

There were no changes to key management personnel and the compensation scheme in the first half of FY2022/23.

19. ACQUISITION OF SUBSIDIARY (in thousands of \$)

On 31 May 2022, the Group acquired 75% of the shares and voting interests in SR Technics Malaysia Sdn Bhd ("SR Technics Malaysia"). As a result, SR Technics has become a subsidiary of the Group.

Taking control of SR Technics Malaysia will bring about synergies and new capabilities for more than 750 different aircraft part and enhance the Group's existing component repair and overhaul services and inventory technical management programme.

For the four months ended 30 September 2022, SR Technics Malaysia contributed revenue of \$3,819,000 and losses of \$187,000 to the Group's results.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	As at date of acquisition
Cash	4,565
Deferred consideration	512
Total purchase consideration	<u>5,077</u>

Deferred consideration

A retention sum of \$512,000 was held by the Group as security in which any breach of obligations committed may be deducted against this amount, and will be paid to the selling shareholder six months from acquisition completion.

The net cash outflow on acquisition of subsidiary was as follows:

	As at date of acquisition
Purchase consideration in cash	4,565
Less: Cash and cash equivalents acquired	<u>(322)</u>
Net cash outflow on acquisition of subsidiary	<u>4,243</u>

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition, pending completion of an independent fair valuation.

	As at date of acquisition
Property, plant and equipment	559
Right-of-use assets	1,301
Intangible assets	449
Trade receivables	1,174
Inventories	2,766
Cash and cash equivalents	322
Trade and other payables	(1,980)
Exchange differences	<u>90</u>
Total identifiable net assets	4,681
Less: Non-controlling interests	(1,170)
Goodwill arising from acquisition	<u>1,566</u>
Total purchase consideration	<u>5,077</u>

19. ACQUISITION OF SUBSIDIARY (in thousands of \$) (continued)

If new information obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill

Goodwill arising from the acquisition has been recognised as follows, subject to changes upon purchase price allocation completion:

	As at date of acquisition
Total consideration transferred	5,077
NCI	1,170
Fair value of identifiable net assets	<u>(4,681)</u>
Goodwill	<u>1,566</u>

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 FY2022-23

The Group recorded revenue of \$362.2 million for the first half of the financial year ended 30 September 2022, an improvement of \$98.7 million (+37.5%) year-on-year, largely driven by the increase in flight activities and all segments recorded higher revenue. Group expenditure increased at a higher rate of 38.0% (\$102.8 million) to \$373.0 million year-on-year mainly due to the stepping down of government wage support. Excluding wage support, expenditure increase was 21.2%, with manpower costs and material costs rising in tandem with higher business activities.

As revenue growth was not sufficient to offset the increase in expenditure, the Group incurred a higher operating loss of \$10.8 million as compared to the operating loss of \$6.7 million in the same period last year. Excluding wage support, operating performance improved \$31.5 million.

Share of profits of associated and joint venture companies was \$41.4 million. This was \$14.6 million (+54.5%) higher year-on-year due to

- \$9.4 million (+29.1%) increase in contribution from the engine and component segment arising from increase in work input, and
- \$5.2 million (+94.5%) improvement from the airframe and line maintenance segment.

The Group's net profit for the first half ended 30 September 2022 was \$32.5 million, an improvement of \$7.5 million year-on-year. Excluding wage support, Group profit was \$21.4 million.

Basic earnings per share for the first half of the financial year ended 30 September 2022 was 2.89 cents.

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

GROUP EARNINGS (continued)

Second Quarter FY2022-23

In the second quarter ended 30 September 2022, the Group recorded an operating loss of \$6.8 million, a deterioration of \$3.0 million year-on-year as revenue grew by 38.0% to \$190.7 million, while expenditure rose at a higher rate of 39.1% to \$197.5 million. The increase in revenue was largely driven by higher flight activities and all segments recorded higher revenue. Expenditure increased mainly due to lower government wage support, higher manpower costs and material costs.

Share of profits of associated and joint venture companies was \$25.0 million, an improvement of \$13.0 million (+108.3%) year-on-year due to

- \$9.8 million higher contributions from the engine and component segment, and
- \$3.2 million improvement from the airframe and line maintenance segment.

The Group recorded a net profit of \$19.7 million for the quarter ended 30 September 2022, an improvement of \$9.2 million year-on-year. Excluding wage support, net profit was \$17.3 million.

Basic earnings per share for the second quarter was 1.75 cents.

GROUP FINANCIAL POSITION

As at 30 September 2022, equity attributable to owners of the parent was \$1,681.4 million, an increase of \$70.7 million (+4.4%) from 31 March 2022, mainly due to increase in foreign currency translation reserve and profits earned for the period.

Total assets stood at \$1,936.2 million as of 30 September 2022, an increase of \$98.0 million (5.3%) from 31 March 2022. The Group's cash balance was \$605.6 million with no borrowings.

Net asset value per share as at 30 September 2022 was 149.6 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

As Singapore removed most of the remaining travel restrictions, the number of flights handled by our Line Maintenance unit in Singapore in the first half of the financial year FY2022-23 doubled year-on-year, representing approximately 55% of pre-pandemic volume.

The increase in flight activities has led to an increase in demand for MRO services as operators look to return grounded aircraft back to service. Base Maintenance has secured new customers and a long-term contract during the period.

Work volume at engine and component shops is also higher, with healthy improvement in inductions. Inventory technical management services supported a larger fleet size due to a new contract secured and fleet growth of customer airlines. Since completion of the first LEAP engine quick turn at the new Aircraft Engine Services facility in the first quarter, the shop is progressively increasing inductions.

In May 2022, the Company acquired a 75% stake in SR Technics Malaysia Sdn Bhd. This acquisition expands our component repair and overhaul capabilities, creating further opportunities for business growth and innovation.

We continue to make progress in our transformation efforts through the three key levers of Lean, Digital and Technology. Implementation of Lean across various operation units continue to generate additional capacity. This has allowed us to secure long-term agreements such as a five-year airframe maintenance services agreement with Hawaiian Airlines for its A330-200 fleet and a 10-year Inventory Technical Management Programme with MY Airlines for its A320 fleet.

We are honoured to be awarded the 2022 "Asia MRO of the Year - Airframe" Award by Aviation Week Network, in recognition of our overall achievements, collaboration with partners, teamwork and marketing strategy.

OUTLOOK

While recovery of the aviation industry continues to gain traction, the outlook is uncertain due to an elevated risk of a global recession and geopolitical tensions. In addition, high inflation, wage pressure and cessation of wage support will pose challenges. The Group will maintain vigilance and nimbleness in managing our costs.

Along with our transformation efforts, we will seize opportunities to broaden our customer base, develop new capabilities and expand our geographical presence through acquisitions and partnerships to achieve sustainable business growth.

6. Dividend

The Company will not be declaring any interim dividend due to operating losses and uncertainties in macroeconomic conditions.

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 2022 and 30 September 2021. There were no sales, transfers, cancellation and/or use of subsidiary holdings for the period 1 April 2022 to 30 September 2022.

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 2022 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	—	394,989*
Scoot TigerAir Pte Ltd	Wholly-owned subsidiary of SIAEC's controlling shareholder	—	323,697
Singapore Aviation and General Insurance Company (Pte) Ltd		—	599
Tata SIA Airlines Limited	Associate of SIAEC's controlling shareholder	—	656
<u>Non-listed Associates of Temasek Holdings (Private) Limited ("Temasek")</u>			
AJI International Pte Ltd	Associate of Temasek Holdings (Private) Limited ("Temasek")	—	10,005
<u>SATS Group</u>			
SATS Ltd	Associate of Temasek	—	706
<u>Singapore Technologies Engineering Group</u>			
Singapore Test Services Pte Ltd	Associate of Temasek	—	200
Total		—	730,852

* 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.

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
1 November 2022

Singapore Co. Regn. No.: 198201025C

CONFIRMATION BY THE BOARD

We, Tang Kin Fei and Ng Chin Hwee, 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 2022 to be false or misleading in any material respect.

On behalf of the Board,



TANG KIN FEI
Chairman



NG CHIN HWEE
Chief Executive Officer

1 November 2022