



SIA ENGINEERING GROUP POSTS GROUP PROFIT OF \$60.5M FOR 3RD QUARTER 2013-14

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

| | 3 rd Quarter FY2013-14 | | 9 months FY2013-14 | |
|---|-----------------------------------|--------------------------|--------------------|--------------------------|
| | Oct - Dec 2013 | Year-on-Year % Change | Apr - Dec 2013 | Year-on-Year % Change |
| • Revenue | \$283.8M | + 2.0 | \$867.1M | + 0.5 |
| • Operating profit | \$25.2M | - 19.2 | \$81.4M | - 16.3 |
| • Share of profits from associated and joint venture companies | \$41.0M | + 2.5 | \$135.1M | + 13.7 |
| • Profit attributable to owners of the parent | \$60.5M | - 9.7 | \$200.5M | - 1.8 |
| • Basic earnings per share | 5.43 cts | - 10.7 | 18.03 cts | - 2.8 |

GROUP EARNINGS

Third Quarter FY2013-14

SIAEC Group posted a profit attributable to owners of the parent of \$60.5 million for the quarter ended 31 December 2013.

During the quarter, revenue increased by \$5.6 million or 2.0% to \$283.8 million, while expenditure grew at a higher rate of 4.7% or \$11.6 million. As a consequence, operating profit of \$25.2 million was \$6.0 million lower than that for the same quarter last year. The increase in expenditure was mainly from staff costs, subcontract and material costs. There was also a smaller exchange gain of \$0.1 million in the current period as compared to a gain of \$1.6 million in the third quarter of last year.

Share of profits from associated and joint venture companies increased by \$1.0 million or 2.5% to \$41.0 million. This represents a contribution of 58.7% to the Group's pre-tax profits.

After accounting for non-operating items and taxation, profit attributable to owners of the parent at \$60.5 million was \$6.5 million or 9.7% lower than the corresponding quarter last year.

Basic earnings per share was 5.43 cents for the current quarter.

Note: The SIAEC Group's unaudited financial results for the third quarter and nine months ended 31 December 2013 were announced on 3 February 2014. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars. The Group comprises the Company and its subsidiary, associated and joint venture companies.)

Year-to-date (April – December 2013)

The Group recorded a profit attributable to owners of the parent of \$200.5 million for the nine months ended 31 December 2013.

Revenue increased by \$3.9 million or 0.5% to \$867.1 million. Expenditure at \$785.7 million was \$19.7 million or 2.6% higher, primarily due to higher staff costs. The resulting operating profit for the period was \$81.4 million.

Associated and joint venture companies showed healthy growth in the current period, as share of profits grew by \$16.3 million or 13.7%.

GROUP FINANCIAL POSITION

As at 31 December 2013, equity attributable to owners of the parent amounted to \$1,292.2 million, \$9.7 million or 0.7% lower than at 31 March 2013. The decrease was mainly due to the payment of the final dividend in respect of FY2012-13 and interim dividend for FY2013-14, partially offset by profit earned for the period.

The cash balance of the Group was \$462.1 million as at 31 December 2013. Total assets amounted to \$1,614.1 million.

Net asset value per share as at 31 December 2013 was 115.9 cents.

OUTLOOK

The near-term global economic outlook remains uncertain. Rising business costs, particularly labour cost, present challenges to our operating environment. This will continue to put pressure on MRO yields.

The Group remains focused on managing costs by pursuing improvements in productivity and enhancing operating efficiencies. Overall, the performance of the Group is expected to remain stable.

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(For the complete third quarter and nine months FY2013-14 financial statements, please refer to our SGXNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

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GROUP FINANCIAL STATISTICS

| | 3 rd Quarter 2013-14 | 3 rd Quarter 2012-13 | 9 months 2013-14 | 9 months 2012-13 |
|--|------------------------------------|------------------------------------|---------------------|---------------------|
| Financial Results (\$ million) | | | | |
| Total revenue | 283.8 | 278.2 | 867.1 | 863.2 |
| Total expenditure | 258.6 | 247.0 | 785.7 | 766.0 |
| Operating profit | 25.2 | 31.2 | 81.4 | 97.2 |
| Non-operating items | 0.3 | 0.3 | 1.3 | 1.2 |
| Dividend income from long term investment | 3.4 | 4.4 | 11.6 | 13.3 |
| Share of profits of associated companies | 22.2 | 17.5 | 62.4 | 48.5 |
| Share of profits of joint venture companies | 18.8 | 22.5 | 72.7 | 70.3 |
| Profit before taxation | 69.9 | 75.9 | 229.4 | 230.5 |
| Profit attributable to owners of the parent | 60.5 | 67.0 | 200.5 | 204.2 |
| Per Share Data | | | | |
| Earnings before tax (cents) | 6.28 | 6.89 | 20.63 | 20.94 |
| Earnings after tax (cents) - basic ^{R1} | 5.43 | 6.08 | 18.03 | 18.54 |
| - diluted ^{R2} | 5.39 | 6.03 | 17.88 | 18.40 |

| | As at 31 Dec 2013 | As at 31 Mar 2013 |
|---|----------------------|----------------------|
| Financial Position (\$ million) | | |
| Share capital | 383.3 | 348.1 |
| Reserves | | |
| Share-based compensation reserve | 24.5 | 31.9 |
| Foreign currency translation reserve | (126.0) | (134.5) |
| Fair value reserve | (2.3) | (0.6) |
| General reserve | 1,012.7 | 1,057.0 |
| Equity attributable to owners of the parent | 1,292.2 | 1,301.9 |
| Total assets | 1,614.1 | 1,632.7 |
| Net asset value per share (cents) ^{R3} | 115.9 | 117.7 |

^{R1} Earnings after tax per share (basic) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue.

^{R2} Earnings after tax per share (diluted) is computed by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding share options, performance shares and restricted shares granted to employees.

^{R3} Net asset value per share is computed by dividing equity attributable to owners of the parent by the number of ordinary shares in issue.