

News Release

ST Engineering Reports Lower Year-on-year PBT for 1Q2015

FINANCIAL HIGHLIGHTS
For the first quarter ended
31 March 2015

	2015 1Q	2014 1Q	Growth %
Revenue (\$m)	1,511	1,552	(3)
Earnings before interest and tax (EBIT) (\$m)	110.1	133.5	(18)
Other income, net (\$m)	20.8	17.4	19
Finance income / (costs), net (\$m)	8.5	(4.1)	306
Profit before tax (PBT) (\$m)	150.5	167.9	(10)
Profit attributable to shareholders (\$m)	130.0	137.2	(5)
Earnings per share (cents)	4.17	4.41	(5)

- Commercial sales constituted 63% or \$950 million of revenue
- Order book of \$12.2 billion at end March 2015, of which about \$3.0 billion is expected to be delivered in the remaining months of 2015
- Cash and cash equivalents including funds under management totalled \$1.9 billion
- Advance payments from customers totalled \$1.7 billion

N.B.: All currencies are in Singapore dollars

Singapore, 13 May 2015 – Singapore Technologies Engineering Ltd (ST Engineering) today announced financial results for its first quarter ended 31 March 2015 (1Q2015).

The Group posted quarterly revenue of \$1.51b compared to \$1.55b a year ago. Quarterly Profit before tax (PBT) for the Group was \$150.5m, a 10% drop compared to \$167.9m in the same period a year ago. Quarterly Net Profit came in comparable at \$130m against the same period a year ago.

At the business sector level, the Aerospace sector posted comparable quarterly revenue and PBT of \$489m and \$71.4m respectively. The Electronics sector achieved quarterly PBT of \$34.9m, up 8% from \$32.3m on comparable quarterly revenue of \$356m. While quarterly revenue for the Land Systems sector was 6% higher at \$346m from \$325m, its quarterly PBT dropped 14% to \$16.2m from \$18.8m. The Marine sector posted quarterly revenue of \$280m, 13% lower compared to \$323m and a quarterly PBT of \$23.4m, 26% lower compared to \$31.5m in the same period a year ago.

“For the first quarter of 2015, the Group reported comparable Revenue with a lower PBT compared to the same quarter last year. The difficulties faced by our US shipbuilding operations affected the Group’s overall performance. Our order book is healthy and cash and cash equivalents including funds under management remain high at \$1.9b.

Barring unforeseen circumstances, the Group expects to achieve comparable Revenue and PBT for FY2015 when compared to FY2014.”

~ TAN Pheng Hock
President & CEO, ST Engineering

Commercial business accounted for 63% or \$950m of the Group’s 1Q2015 revenue. The Group ended the first quarter with an order book of \$12.2b, of which it expects to deliver \$3b of orders in the remaining months of 2015.

New contracts announced in 1Q2015

The Aerospace sector announced contracts worth about \$298m that included a five-year Maintenance-By-the-Hour (MBH™) agreement for nine 737NG aircraft, heavy maintenance contracts, aircraft interior modification of two 737 aircraft, landing gear overhaul and exchange contracts, as well as a five-year agreement with a Middle Eastern customer for a Multi-crew Pilot License programme. The Electronics sector announced about \$383m of contracts for its rail electronics and intelligent transportation, satellite and broadband communications, as well as advanced electronics and ICT solutions. The Land Systems sector won a contract to supply to Brazil its 40mm High Velocity and Low Velocity grenades, further reinforcing the leading position of its 40mm ammunition.

ST Engineering (Singapore Technologies Engineering Ltd) is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenue of \$6.54b in FY2014 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, FTSE ASEAN 40 Index, MSCI Singapore and other indices. ST Engineering has about 23,000 employees worldwide, and over 100 subsidiaries and associated companies in 46 cities across 24 countries. Please visit www.stengg.com for more information.

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FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

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SINGAPORE TECHNOLOGIES ENGINEERING LTD
UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

1 CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	GROUP		
	1Q2015 \$'000	1Q2014 \$'000	+/(-) %
Revenue	1,511,390	1,551,755	(2.6)
Cost of sales	(1,218,931)	(1,225,918)	(0.6)
Gross profit	292,459	325,837	(10.2)
Distribution and selling expenses (refer para 1.7)	(37,864)	(49,784)	(23.9)
Administrative expenses	(112,983)	(113,620)	(0.6)
Other operating expenses (refer to para 1.8)	(31,547)	(28,962)	8.9
Profit from operations	110,065	133,471	(17.5)
Other income	20,772	17,445	19.1
Other expenses	-	(15)	(100.0)
Other income, net (refer para 1.9)	20,772	17,430	19.2
Finance income	23,578	10,855	117.2
Finance costs	(15,055)	(14,995)	0.4
Finance income/(costs), net	8,523	(4,140)	(305.9)
Share of results of associates and joint ventures, net of tax	11,159	21,112	(47.1)
Profit before taxation	150,519	167,873	(10.3)
Taxation	(19,040)	(30,300)	(37.2)
Profit for the period	131,479	137,573	(4.4)
Attributable to:			
Shareholders of the Company	129,971	137,223	(5.3)
Non-controlling interests	1,508	350	330.9
	131,479	137,573	(4.4)

1(a) **BREAKDOWN AND EXPLANATORY NOTES TO CONSOLIDATED INCOME STATEMENT**

		GROUP		
		1Q2015	1Q2014	+ / (-)
		\$'000	\$'000	%
1.1	Profit from operations is arrived at after charging / (crediting) the following:			
	Depreciation and amortisation	44,412	40,424	9.9
	The higher depreciation and amortisation came from all sectors.			
	(Write-back of allowance)/allowance for doubtful debts & bad debts written off, net	(1,108)	1,844	(160.1)
	The write-back of allowance for doubtful debts, net in 1Q2015 was mainly attributable to Aerospace sector while the allowance for doubtful debts in 1Q2014 came mainly from Land Systems sector.			
	Allowance for inventory obsolescence, net	12,968	8,881	46.0
	The higher allowance for inventory obsolescence, net in 1Q2015 mainly came from Aerospace and Land Systems sectors.			
1.2	Finance income/(costs), net comprises:			
	Interest income	5,558	6,387	(13.0)
	Foreign exchange gain, net	4,445	1,198	271.0
	Fair value changes of financial instruments / hedged items	8,084	(2,727)	(396.4)
	Gain on disposal of investments, net	6	1,986	(99.7)
	Interest expenses	(9,540)	(11,034)	(13.5)
	Others	(30)	50	(160.0)
		8,523	(4,140)	(305.9)
1.3	Profit for the period as a percentage of revenue	8.7%	8.9%	
1.4	Profit attributable to shareholders as a percentage of share capital and reserves at end of the period	5.9%	6.1%	
1.5	The Group's tax charge in 1Q2015 included adjustments for overprovision of current tax and deferred tax of \$1.8 million and \$0.2 million respectively in respect of prior years (1Q2014: Adjustments for overprovision of current tax of \$2.2 million and underprovision of deferred tax of \$1.8 million).			
1.6	There was a factory relocation with government compensation in 1Q2015 by Land Systems sector. There was no profit and loss impact.			
1.7	The lower distribution and selling expenses in 1Q2015 was due mainly to the absence of \$6.1 million Singapore Airshow 2014 expenses incurred in 1Q2014 as well as a \$0.8 million write-back of allowance for doubtful debts in 1Q2015.			
1.8	Other operating expenses incurred in 1Q2015 of \$31.5 million was higher mainly due to higher R&D expenses incurred.			
1.9	The higher 1Q2015 other income, was due to higher income received from Singapore Government's Wage Credit Scheme of \$12.9 million as compared to \$8.5 million in 1Q2014.			

1(b) **BREAKDOWN OF REVENUE AND PROFIT FOR THE PERIOD**

	GROUP		
	2015 \$'000	2014 \$'000	+ / (-) %
Revenue reported for first quarter	1,511,390	1,551,755	(2.6)
Profit for the period reported for first quarter	131,479	137,573	(4.4)

1(c) **EARNINGS PER ORDINARY SHARE (EPS)**

	GROUP		
	1Q2015	1Q2014	FY2014
EPS based on profit attributable to shareholders:	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares on issue	4.17	4.41	17.06
(ii) On a fully diluted basis	4.17	4.41	17.04

2 **BALANCE SHEETS**

ASSETS

Non-current assets

Property, plant and equipment	
Subsidiaries	
Associates and joint ventures	
Investments	
Intangible assets	
Long-term receivables, non-current	
Finance lease receivables, non-current	
Deferred tax assets	
Amounts due from related parties, non-current	
Derivative financial instruments, non-current	

GROUP		COMPANY	
31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
\$'000	\$'000	\$'000	\$'000
1,589,761	1,577,523	4,318	4,568
-	-	1,196,641	1,197,716
467,478	478,352	17,657	17,657
146,188	127,211	-	-
703,383	671,022	-	-
556	2,735	-	-
803	973	-	-
119,102	106,318	5,014	7,000
4,806	4,806	156,231	50,000
34,302	24,263	73	81
3,066,379	2,993,203	1,379,934	1,277,022

Current assets

Inventories and work-in-progress	
Trade receivables	
Amounts due from related parties, current	
Advances and other receivables	
Long-term receivables, current	
Finance lease receivables, current	
Short-term investments	
Bank balances and other liquid funds	

1,852,339	1,802,073	-	-
1,138,761	1,319,101	-	-
52,056	66,382	201,469	497,070
530,475	530,298	3,196	3,597
13,326	11,375	-	-
5,682	6,872	-	-
120,702	119,279	-	-
1,677,604	1,470,723	527,591	404,876
5,390,945	5,326,103	732,256	905,543

TOTAL ASSETS

8,457,324	8,319,306	2,112,190	2,182,565
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EQUITY AND LIABILITIES

Current liabilities

Advance payments from customers, current	
Trade payables and accruals, current	
Amounts due to related parties, current	
Provisions	
Progress billings in excess of work-in-progress	
Provision for taxation	
Short-term bank loans	
Long-term bank loans, current	
Lease obligations, current	
Other loans, current	

806,467	809,637	-	-
1,615,203	1,667,180	21,163	26,961
25,247	29,364	219,125	196,988
248,839	245,072	-	-
775,526	725,347	-	-
180,195	164,660	8,112	8,112
52,276	29,820	-	-
-	43,590	-	-
943	1,126	-	-
154	148	-	-
3,704,850	3,715,944	248,400	232,061

NET CURRENT ASSETS

1,686,095	1,610,159	483,856	673,482
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2 **BALANCE SHEETS** (cont'd)

	GROUP		COMPANY	
	31-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Advance payments from customers, non-current	913,177	899,279	-	-
Trade payables and accruals, non-current	240,062	274,155	12,620	17,006
Deferred tax liabilities	115,104	108,484	-	-
Bonds	686,044	658,424	-	-
Long-term bank loans, non-current	326,846	267,532	-	-
Lease obligations, non-current	18,195	17,547	-	-
Other loans, non-current	425	441	-	-
Deferred income	93,465	98,759	-	-
Other long-term payables, non-current	1,000	1,000	-	-
Derivative financial instruments, non-current	31,389	11,260	-	-
Amounts due to related parties, non-current	1,064	1,871	378,801	407,413
	2,426,771	2,338,752	391,421	424,419
TOTAL LIABILITIES	6,131,621	6,054,696	639,821	656,480
NET ASSETS	2,325,703	2,264,610	1,472,369	1,526,085
Share capital and reserves				
Share capital	895,162	889,426	895,162	889,426
Treasury shares	(46,585)	(6,529)	(46,585)	(6,529)
Capital reserves	114,296	116,323	(2,027)	-
Other reserves	(127,907)	(92,057)	58,309	74,865
Retained earnings	1,355,011	1,225,040	567,510	568,323
	2,189,977	2,132,203	1,472,369	1,526,085
Non-controlling interests	135,726	132,407	-	-
	2,325,703	2,264,610	1,472,369	1,526,085
TOTAL EQUITY AND LIABILITIES	8,457,324	8,319,306	2,112,190	2,182,565

2(a) **ANALYSIS OF BALANCE SHEETS**

Compared to 31 December 2014, the increase in net current assets was mainly attributable to increase in bank balances and other liquid funds as well as decrease in trade payables and accruals, current, but these were partially offset by a decrease in trade receivables.

2(b) GROUP BORROWINGS

	As at 31-Mar-15 \$'000	As at 31-Dec-14 \$'000
<u>Amount repayable within one year</u>		
Secured	27,491	18,161
Unsecured	25,882	56,523
	<u>53,373</u>	<u>74,684</u>
<u>Amount repayable after one year</u>		
Secured	49,476	47,650
Unsecured	982,034	896,294
	<u>1,031,510</u>	<u>943,944</u>
 Total	 <u>1,084,883</u>	 <u>1,018,628</u>

2(c) NET ASSET VALUE

	GROUP		
	1Q2015	1Q2014	FY2014
	Cents	Cents	Cents
Net asset value per ordinary share at end of the financial period/year	70.45	72.01	68.38

	COMPANY		
	1Q2015	1Q2014	FY2014
	Cents	Cents	Cents
Net asset value per ordinary share at end of the financial period/year	47.36	47.38	48.94

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

	GROUP	
	1Q2015	1Q2014
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	150,519	167,873
<u>Adjustments:</u>		
Share of results of associates and joint ventures, net of tax	(11,159)	(21,112)
Depreciation charge	40,858	36,962
Property, plant and equipment written off	4,612	43
Gain on disposal of property, plant and equipment	(120)	(362)
Gain on disposal of investments	(6)	(1,986)
Impairment losses on an associate	-	15
Share-based payment expense	(976)	2,760
Changes in fair value of financial instruments and hedged items	(8,084)	2,727
Changes in fair value of financial instruments held for trading	31	(50)
Interest expenses	9,540	11,034
Interest income	(5,558)	(6,387)
Dividends from investments	(1)	-
Amortisation of other intangible assets	3,554	3,462
Operating profit before working capital changes	183,210	194,979
Changes in:		
Inventories and work-in-progress	(35,664)	(25,382)
Progress billings in excess of work-in-progress	50,179	86,497
Trade receivables	181,031	125,114
Advance payments to suppliers	(6,122)	(68,506)
Other receivables, deposits and prepayments	13,222	(9,354)
Amounts due from holding company and related corporations balances	11,074	2,615
Amounts due to holding company and related corporations balances	(2,626)	(6,096)
Amounts due from associates	3,030	(1,352)
Amounts due from joint ventures	(2,348)	(8,649)
Trade payables	5,524	(2,366)
Advance payments from customers	10,728	(39,587)
Other payables, accruals and provisions	(111,687)	(104,056)
Loans to staff and third parties	(264)	170
Deferred income	3,635	2,988
Foreign currency translation of foreign operations	(3,389)	4,486
Cash generated from operations	299,533	151,501
Interest received	8,875	8,346
Income tax paid	(4,807)	(43,103)
Net cash from operating activities	303,601	116,744

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (cont'd)

	GROUP	
	1Q2015	1Q2014
	\$'000	\$'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,279	885
Proceeds from sale and maturity of investments	17,256	76,246
Dividends from associates and joint ventures	17,926	15,829
Dividends from investments	1	-
Purchase of property, plant and equipment	(47,449)	(60,188)
Purchase of investments	(35,188)	(7,231)
Acquisition of other intangible assets	(11,963)	(12,162)
Repayment of loan from a joint venture	272	-
Net cash (used in)/from investing activities	(57,866)	13,379
Cash flows from financing activities		
Capital contribution from non-controlling interests of subsidiaries	51	-
Repayment of other loans	(34)	(38)
Repayment of bank loans	(184,703)	(311,677)
Repayment of lease obligations	(369)	(498)
Proceeds from issue of shares	5,355	8,430
Proceeds from share options exercised with issue of treasury shares	358	-
Purchase of treasury shares	(57,640)	-
Proceeds from bank loans	208,693	-
Dividends paid to non-controlling interests	-	(2,040)
Interest paid	(16,474)	(18,458)
Deposit discharged/(pledged)	1,791	(73)
Net cash used in financing activities	(42,972)	(324,354)
Net increase/(decrease) in cash and cash equivalents	202,763	(194,231)
Cash and cash equivalents at beginning of the period	1,462,612	1,920,924
Exchange difference on cash and cash equivalents at beginning of the period	5,909	(4,164)
Cash and cash equivalents at end of the period	1,671,284	1,722,529

3(a) ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS

Compared to 1Q2014, net cash from operating activities of \$304 million in 1Q2015 was higher by \$187 million. This was mainly due to lower income tax paid as well as favourable working capital movements arising mainly from the positive variances in trade receivables, advance payments to suppliers, advance payments from customers and other receivables, deposits and repayments, but these were partially offset by negative variance in progress billings in excess of work-in-progress and inventories and work-in-progress.

The Group had a net cash used in investing activities of \$58 million in 1Q2015 compared to a net cash from investing activities of \$13 million in 1Q2014. The higher cash outflow was mainly attributed to purchase of investments, net (\$18 million) in 1Q2015 vis-à-vis net proceeds from sale and maturity of investment (\$69 million) in 1Q2014, but these were partially offset by lower cash outflow for acquisition of property, plant and equipment.

3(a) **ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS** (cont'd)

The Group's net cash used in financing activities of \$43 million in 1Q2015 was lower than that in 1Q2014 by \$281 million. The lower cash outflow was largely due to a net proceed of \$24 million from bank loans in 1Q2015 vis-à-vis a net repayment of bank loans of \$312 million in 1Q2014, but these were partially offset by a cash outflow of \$58 million for the purchase of treasury shares.

The cash and cash equivalents as at end 1Q2015 was \$1,671 million, \$51 million lower than 1Q2014.

4 **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the Singapore Financial Reporting Standards (FRS).

	Group		
	1Q2015	1Q2014	+ / (-)
	\$'000	\$'000	%
Profit for the period	131,479	137,573	(4.4)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Net fair value changes on available-for-sale financial assets	(350)	(825)	(57.6)
Net fair value changes on cash flow hedges	(33,993)	(3,074)	>500
Share of net fair value changes on cash flow hedges of an associate	(8,068)	(291)	>500
Foreign currency translation differences	20,916	(14,697)	242.3
Share of foreign currency translation differences of associates and joint ventures	3,961	(3,162)	225.3
Other comprehensive income for the period, net of tax	(17,534)	(22,049)	(20.5)
Total comprehensive income for the period, net of tax	113,945	115,524	(1.4)
Total comprehensive income attributable to:			
Shareholders of the Company	110,662	116,280	(4.8)
Non-controlling interests	3,283	(756)	<-500
	113,945	115,524	(1.4)

5 STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2015

Group	Share capital \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1.1.2014	852,611	116,323	(44,651)	1,191,958	2,116,241	143,673	2,259,914
Total comprehensive income for the period							
Profit for the period	-	-	-	137,223	137,223	350	137,573
Other comprehensive income							
Net fair value changes on available-for-sale financial assets	-	-	(825)	-	(825)	-	(825)
Net fair value changes on cash flow hedges	-	-	(3,669)	-	(3,669)	595	(3,074)
Share of net fair value changes on cash flow hedges of an associate	-	-	(291)	-	(291)	-	(291)
Foreign currency translation differences	-	-	(12,996)	-	(12,996)	(1,701)	(14,697)
Share of foreign currency translation difference of associates and joint ventures	-	-	(3,162)	-	(3,162)	-	(3,162)
<i>Other comprehensive income for the period, net of tax</i>	-	-	(20,943)	-	(20,943)	(1,106)	(22,049)
Total comprehensive income for the period, net of tax	-	-	(20,943)	137,223	116,280	(756)	115,524
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners of the Company							
Issue of shares	25,149	-	(16,719)	-	8,430	-	8,430
Cost of share-based payment	-	-	2,749	-	2,749	11	2,760
Dividends paid to non-controlling interests	-	-	-	-	-	(2,040)	(2,040)
<i>Total contributions by and distributions to owners of the Company</i>	<i>25,149</i>	<i>-</i>	<i>(13,970)</i>	<i>-</i>	<i>11,179</i>	<i>(2,029)</i>	<i>9,150</i>
Total transactions with owners of the Company	25,149	-	(13,970)	-	11,179	(2,029)	9,150
At 31.3.2014	877,760	116,323	(79,564)	1,329,181	2,243,700	140,888	2,384,588

5 STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (cont'd)

Group	Share capital \$'000	Treasury Shares \$'000	Capital reserves \$'000	Other reserves \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1.1.2015	889,426	(6,529)	116,323	(92,057)	1,225,040	2,132,203	132,407	2,264,610
Total comprehensive income for the period								
Profit for the period	-	-	-	-	129,971	129,971	1,508	131,479
Other comprehensive income								
Net fair value changes on available-for-sale financial assets	-	-	-	(350)	-	(350)	-	(350)
Net fair value changes on cash flow hedges	-	-	-	(32,878)	-	(32,878)	(1,115)	(33,993)
Share of net fair value changes on cash flow hedges of an associate	-	-	-	(8,068)	-	(8,068)	-	(8,068)
Foreign currency translation differences	-	-	-	18,026	-	18,026	2,890	20,916
Share of foreign currency translation differences of associates and joint ventures	-	-	-	3,961	-	3,961	-	3,961
<i>Other comprehensive income for the period, net of tax</i>	-	-	-	(19,309)	-	(19,309)	1,775	(17,534)
Total comprehensive income for the period, net of tax	-	-	-	(19,309)	129,971	110,662	3,283	113,945
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Issue of shares	5,736	-	-	(381)	-	5,355	-	5,355
Capital contribution by non-controlling interests	-	-	-	-	-	-	51	51
Cost of share-based payment	-	-	-	(961)	-	(961)	(15)	(976)
Purchase of treasury shares	-	(57,640)	-	-	-	(57,640)	-	(57,640)
Treasury shares reissued pursuant to share plans	-	17,584	(2,027)	(15,199)	-	358	-	358
<i>Total contributions by and distributions to owners of the Company</i>	<i>5,736</i>	<i>(40,056)</i>	<i>(2,027)</i>	<i>(16,541)</i>	<i>-</i>	<i>(52,888)</i>	<i>36</i>	<i>(52,852)</i>
Total transactions with owners of the Company	5,736	(40,056)	(2,027)	(16,541)	-	(52,888)	36	(52,852)
At 31.3.2015	895,162	(46,585)	114,296	(127,907)	1,355,011	2,189,977	135,726	2,325,703

5 STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2015 (cont'd)

Company	Share capital	Treasury Shares	Share-based payment reserve	Capital reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1.1.2014	852,611	-	72,754	-	564,416	1,489,781
Total comprehensive income for the period						
Profit for the period	-	-	-	-	(24,652)	(24,652)
Total comprehensive income for the period	-	-	-	-	(24,652)	(24,652)
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Issue of shares	25,149	-	(16,719)	-	-	8,430
Cost of share-based payment	-	-	2,760	-	-	2,760
<i>Total contributions by and distributions to owners of the Company</i>	25,149	-	(13,959)	-	-	11,190
At 31.3.2014	877,760	-	58,795	-	539,764	1,476,319
At 1.1.2015	889,426	(6,529)	74,865	-	568,323	1,526,085
Total comprehensive income for the period						
Profit for the period	-	-	-	-	(813)	(813)
Total comprehensive income for the period	-	-	-	-	(813)	(813)
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Issue of shares	5,736	-	(381)	-	-	5,355
Cost of share-based payment	-	-	(976)	-	-	(976)
Purchase of treasury shares	-	(57,640)	-	-	-	(57,640)
Treasury shares reissued pursuant to share plans	-	17,584	(15,199)	(2,027)	-	358
<i>Total contributions by and distributions to owners of the Company</i>	5,736	(40,056)	(16,556)	(2,027)	-	(52,903)
At 31.3.2015	895,162	(46,585)	58,309	(2,027)	567,510	1,472,369

5(a) **CHANGES IN COMPANY'S SHARE CAPITAL**

Issued and paid up capital

As at 31 March 2015, the Company has an issued share capital of 3,122,283,297 ordinary shares (31 December 2014: 3,120,004,716 ordinary shares) of which 13,721,040 were held by the Company as treasury shares (31 December 2014: 2,034,000).

	Number of shares for the quarter ended 31.3.2015
As at beginning of the quarter (including treasury shares)	3,120,004,716
Issue of shares under the terminated Singapore Technologies Engineering Share Option Plan (ESOP)	2,167,749
Issue of shares under the Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)	110,832
As at end of the quarter (including treasury shares)	3,122,283,297
As at end of the quarter (excluding treasury shares)	3,108,562,257
As at 31 December 2014 (excluding treasury shares)	3,117,970,716

Share Option Plan

As at 31 March 2015, there were 21,076,050 (31 March 2014: 27,082,235) unexercised options of unissued ordinary shares under ESOP.

Performance Share Plan

Singapore Technologies Engineering Performance Share Plan 2010 (PSP 2010)

As at 31 March 2015, the total number of contingent shares granted conditionally but not released was 3,988,782 (31 March 2014: 3,824,195). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 6,780,929 (31 March 2014: 6,501,131) ordinary shares of the Company.

Restricted Stock Plan

Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)

As at 31 March 2015, the total number of contingent shares granted conditionally but not released was 10,752,339 (31 March 2014: 9,067,958). Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 15,581,898 (31 March 2014: 13,556,937) ordinary shares.

As at 31 March 2015, the total number of awards released but not vested was 2,339,018 (31 March 2014: 3,553,896) ordinary shares of the Company.

5(a) **CHANGES IN COMPANY'S SHARE CAPITAL** (cont'd)

Treasury Shares

During the quarter, the Company purchased 16,866,000 ordinary shares by way of open market acquisitions, all of which were held by the Company as treasury shares (31 March 2014: Nil).

During the quarter, 5,178,960 treasury shares were utilised pursuant to the ESOP, PSP 2010 and RSP 2010.

<u>Group and Company</u>	<u>Number of shares for the quarter ended 31.3.2015</u>
As at beginning of the quarter	2,034,000
Purchase of treasury shares	16,866,000
Treasury shares transferred on exercise of share options	(132,362)
Treasury shares transferred on vesting of PSP 2010	(1,529,222)
Treasury shares transferred on vesting of RSP 2010	<u>(3,517,376)</u>
As at end of the quarter	<u>13,721,040</u>

6 **AUDIT**

The figures have not been audited or reviewed by the Company's auditors.

7 **AUDITORS' REPORT**

Not applicable.

8 **ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2014 except for the adoption of FRS and INT FRS that are mandatory for financial year beginning on or after 1 January 2015. The adoption of these FRS and INT FRS has no significant impact on the financial statements.

9 **CHANGES IN ACCOUNTING POLICIES**

There are no changes to the accounting policies.

10 REVIEW OF GROUP PERFORMANCE

10(a) Revenue

1Q2015 vs 1Q2014

\$m	1Q2015	1Q2014	Growth	
Aerospace	489	501	(12)	(2%)
Electronics	356	369	(13)	(3%)
Land Systems	346	325	21	6%
Marine	280	323	(43)	(13%)
Others	40	34	6	19%
Total	1,511	1,552	(41)	(3%)

Group's revenue of \$1,511 million for 1Q2015 was comparable to that of 1Q2014. Lower revenue recorded by Marine sector was partially offset by higher revenue from Land Systems sector while both Aerospace and Electronics sectors generated comparable revenue.

Aerospace sector's 1Q2015 revenue of \$489 million was comparable to that of 1Q2014. Lower revenue in the **Aircraft Maintenance & Modification** business group was partially offset by higher revenue recorded by the **Engineering & Material Services** business group with more Maintenance-by-the-Hour (MBH)TM programmes and project milestone completions from Engineering and Development Centre.

1Q2015 revenue of \$356 million for the Electronics sector was comparable to that achieved in 1Q2014. Both **Large-Scale Systems Group** and **Software Systems Group** reported lower revenue due to lower value project milestone completions while **Communication & Sensor Systems Group** had comparable revenue.

Land Systems sector's 1Q2015 revenue of \$346 million was higher than that of 1Q2014 by 6% or \$21 million. Higher revenue from **Automotive** business group achieved on the back of more project deliveries was partially offset by lower revenue recorded by the **Munitions & Weapon** business group.

Revenue of Marine sector in 1Q2015 of \$280 million was lower than that of 1Q2014 by 13% or \$43 million, due to lower **Shipbuilding** revenue from both local and US operations, partially offset by higher **Shiprepair** revenue.

10 REVIEW OF GROUP PERFORMANCE (cont'd)

10(b) Profitability

1Q2015 vs 1Q2014

\$m	1Q2015	1Q2014	Growth	
Aerospace	71.4	74.7	(3.3)	(4%)
Electronics	34.9	32.3	2.6	8%
Land Systems	16.2	18.8	(2.6)	(14%)
Marine	23.4	31.5	(8.1)	(26%)
Others	4.6	10.6	(6.0)	(57%)
Total	150.5	167.9	(17.4)	(10%)

Group's profit before tax (PBT) for 1Q2015 of \$150.5 million was lower than that of 1Q2014 by 10% or \$17.4 million. Lower PBT from both Land Systems and Marine sectors was partially offset by higher PBT from Electronics sector while Aerospace sector recorded comparable PBT.

Aerospace sector's PBT of \$71.4 million in 1Q2015 was comparable to that achieved in 1Q2014. Lower gross profit was partially offset by lower operating expenses and favourable foreign exchange impact.

PBT for Electronics sector in 1Q2015 of \$34.9 million was higher than that achieved in 1Q2014 by 8% or \$2.6 million. The Sector reported higher PBT despite comparable revenue due mainly to favourable sales mix and higher other income, partially offset by higher operating expenses.

Land Systems sector's 1Q2015 PBT of \$16.2 million was lower than that of 1Q2014 by 14% or \$2.6 million. This was mainly attributable to unfavourable product mix and higher allowance for inventory obsolescence, partially offset by lower operating expenses.

PBT of Marine sector in 1Q2015 of \$23.4 million was lower than that of 1Q2014 by 26% or \$8.1 million. This was mainly attributable to lower gross profit with lower revenue as well as weaker performance from the US operation.

PBT under "Others" for 1Q2015 was lower than that for 1Q2014 as PBT in 1Q2014 included contribution from an associate, Experia Events Pte. Ltd., the Singapore Airshow 2014 organiser.

11 **CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group comprising the balance sheets (Group and Company), consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity (Group and Company) and consolidated statement of cash flows and the accompanying notes for the first quarter ended 31 March 2015 to be false or misleading in any material respect.

12 **VARIANCE FROM PROSPECTS STATEMENT**

No first quarter forecast was previously provided.

13 **PROSPECTS**

Group

Barring unforeseen circumstances, the Group expects 1H2015 Revenue to be comparable, while PBT is expected to be lower than that of 1H2014. For FY2015, the Group expects Revenue and PBT to be comparable to FY2014.

Sectors

For the Aerospace and Electronics sectors, Revenue and PBT for 1H2015 are expected to be comparable to 1H2014

For Land Systems sector, Revenue for 1H2015 is expected to be higher, while PBT is expected to be lower than that of 1H2014.

For Marine sector, both Revenue and PBT for 1H2015 are expected to be lower than that of 1H2014.

This release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect the Company's current intentions, plans, expectations, assumptions and beliefs about future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes, as well as natural disasters which may negatively impact business activities of the ST Engineering group. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

14 **DIVIDENDS**

No interim dividend for the period ended 31 March 2015 is recommended.

15 **BUSINESS SEGMENTAL INFORMATION**

By Business Activity

	1Q2015						
	Aerospace	Electronics	Land Systems	Marine	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	489,180	356,492	346,002	279,498	40,218	-	1,511,390
Inter-segment sales	1,669	7,183	1,101	136	5,769	(15,858)	-
	<u>490,849</u>	<u>363,675</u>	<u>347,103</u>	<u>279,634</u>	<u>45,987</u>	<u>(15,858)</u>	<u>1,511,390</u>
Reportable segment profit from operations	55,428	28,967	8,476	18,561	(14,657)	13,290	110,065
Other income	6,302	6,247	5,774	2,863	16,598	(17,012)	20,772
Other expenses	-	-	(400)	(32)	(1)	433	-
Finance income	9,745	1,074	2,347	950	27,998	(18,536)	23,578
Finance costs	(7,402)	(1,432)	(3,656)	-	(37,810)	35,245	(15,055)
Share of results of associates and joint ventures, net of tax	7,411	54	3,678	1,048	-	(1,032)	11,159
Profit before taxation	<u>71,484</u>	<u>34,910</u>	<u>16,219</u>	<u>23,390</u>	<u>(7,872)</u>	<u>12,388</u>	<u>150,519</u>
Taxation	(11,997)	(3,693)	(1,864)	(2,180)	694	-	(19,040)
Non-controlling interests	<u>(2,217)</u>	<u>(427)</u>	<u>1,129</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>(1,508)</u>
Profit attributable to shareholders	<u>57,270</u>	<u>30,790</u>	<u>15,484</u>	<u>21,217</u>	<u>(7,178)</u>	<u>12,388</u>	<u>129,971</u>
Other assets	2,236,084	1,783,081	2,003,037	1,211,939	4,250,736	(3,495,031)	7,989,846
Associates and joint ventures	<u>319,113</u>	<u>10,351</u>	<u>108,501</u>	<u>9,207</u>	<u>17,657</u>	<u>2,649</u>	<u>467,478</u>
Segment assets	<u>2,555,197</u>	<u>1,793,432</u>	<u>2,111,538</u>	<u>1,221,146</u>	<u>4,268,393</u>	<u>(3,492,382)</u>	<u>8,457,324</u>
Segment liabilities	<u>1,752,881</u>	<u>1,553,226</u>	<u>1,830,779</u>	<u>1,053,425</u>	<u>2,157,892</u>	<u>(2,216,582)</u>	<u>6,131,621</u>
Capital expenditure ⁺	31,775	17,292	7,419	4,738	456	-	61,680
Depreciation and amortisation	16,214	9,431	9,461	7,505	1,812	(11)	44,412
Other non-cash expenses	4,610	-	2	-	-	-	4,612

⁺ Capital expenditure consists of additions of property, plant and equipment and intangible assets.

15 BUSINESS SEGMENTAL INFORMATION (cont'd)
By Business Activity

	1Q2014						
	Aerospace	Electronics	Land Systems	Marine	Others	Elimination	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	500,910	368,469	325,381	323,106	33,889	-	1,551,755
Inter-segment sales	1,894	6,745	1,030	458	5,825	(15,952)	-
	<u>502,804</u>	<u>375,214</u>	<u>326,411</u>	<u>323,564</u>	<u>39,714</u>	<u>(15,952)</u>	<u>1,551,755</u>
Reportable segment profit from operations	66,469	29,159	14,756	28,206	(18,450)	13,331	133,471
Other income	3,613	3,691	5,055	1,543	29,736	(26,193)	17,445
Other expenses	(16)	(7)	(399)	(23)	-	430	(15)
Finance income	2,612	921	961	1,080	49,131	(43,850)	10,855
Finance costs	(7,763)	(1,570)	(4,863)	(94)	(44,639)	43,934	(14,995)
Share of results of associates and joint ventures, net of tax	9,766	111	3,313	820	-	7,102	21,112
Profit before taxation	<u>74,681</u>	<u>32,305</u>	<u>18,823</u>	<u>31,532</u>	<u>15,778</u>	<u>(5,246)</u>	<u>167,873</u>
Taxation	(11,861)	(3,148)	(4,778)	(6,423)	(4,090)	-	(30,300)
Non-controlling interests	<u>(2,348)</u>	<u>(541)</u>	<u>2,536</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>(350)</u>
Profit attributable to shareholders	<u>60,472</u>	<u>28,616</u>	<u>16,581</u>	<u>25,112</u>	<u>11,688</u>	<u>(5,246)</u>	<u>137,223</u>
Other assets	2,425,756	1,753,628	1,980,205	1,162,300	4,184,421	(3,570,035)	7,936,275
Associates and joint ventures	<u>327,180</u>	<u>840</u>	<u>105,600</u>	<u>4,043</u>	<u>17,681</u>	<u>8,610</u>	<u>463,954</u>
Segment assets	<u>2,752,936</u>	<u>1,754,468</u>	<u>2,085,805</u>	<u>1,166,343</u>	<u>4,202,102</u>	<u>(3,561,425)</u>	<u>8,400,229</u>
Segment liabilities	<u>1,955,410</u>	<u>1,540,810</u>	<u>1,756,309</u>	<u>958,623</u>	<u>2,102,652</u>	<u>(2,298,163)</u>	<u>6,015,641</u>
Capital expenditure ⁺	26,690	12,263	28,436	5,338	1,844	-	74,571
Depreciation and amortisation	14,937	8,445	9,064	6,595	1,393	(10)	40,424
Impairment losses	15	-	-	-	-	-	15
Other non-cash expenses	30	3	10	-	-	-	43

⁺ Capital expenditure consists of additions of property, plant and equipment and intangible assets.

15 **BUSINESS SEGMENTAL INFORMATION** (cont'd)

By Business Activity

For Revenue and Profit Before Tax of 1Q2015 vis-à-vis 1Q2014, please refer to paragraph 10.

	Profit Attributable to Shareholders		
	1Q2015	1Q2014	+/(-)
	\$'000	\$'000	%
Aerospace	57,270	60,472	(5.3)
Electronics	30,790	28,616	7.6
Land Systems	15,484	16,581	(6.6)
Marine	21,217	25,112	(15.5)
Others	5,210	6,442	(19.1)
Group	129,971	137,223	(5.3)

By Geographical Areas

	Revenue			
	1Q2015		1Q2014	
	\$'000	%	\$'000	%
Asia	896,526	59.3	865,344	55.8
USA	333,206	22.1	396,883	25.6
Europe	89,580	5.9	73,028	4.7
Others	192,078	12.7	216,500	13.9
Total	1,511,390	100	1,551,755	100

By Country of Incorporation

	Revenue				Non-Current Assets *			
	1Q2015		1Q2014		1Q2015		1Q2014	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Asia	1,148,176	76.0	1,181,325	76.1	1,965,265	67.5	1,919,875	68.4
USA	329,845	21.8	339,785	21.9	812,002	27.9	728,544	25.9
Europe	17,653	1.2	17,596	1.1	33,867	1.1	61,267	2.2
Others	15,716	1.0	13,049	0.9	101,841	3.5	98,800	3.5
Total	1,511,390	100	1,551,755	100	2,912,975	100	2,808,486	100

* Non-current assets for the purpose of FRS 108 *Operating Segments* excludes derivative financial instruments and deferred tax assets.

16 INTERESTED PERSON TRANSACTIONS

Aggregate value of all transactions conducted under a shareholders mandate pursuant to Rule 920 of the SGX Listing Manual

	1Q2015 \$'000	1Q2014 \$'000
Transactions for the Sale of Goods and Services		
CapitaLand Limited and its Associates	-	215
SembCorp Industries Ltd and its Associates	-	190
Singapore Airlines Limited and its Associates	1,052	-
SembCorp Marine Ltd and its Associates	-	8,950
Singapore Telecommunications Limited and its Associates	297	-
SMRT Corporation Ltd and its Associates	22,599	-
StarHub Ltd and its Associates	-	2,296
Temasek Holdings (Private) Limited and its Associates (non-listed)	894	2,043
	24,842	13,694
Transactions for the Purchase of Goods and Services		
SATS Ltd. and its Associates	766	-
SembCorp Industries Ltd and its Associates	1,811	1,458
SembCorp Marine Ltd and its Associates	180	-
Singapore Telecommunications Limited and its Associates	136	470
Temasek Holdings (Private) Limited and its Associates (non-listed)	765	18,452
	3,658	20,380
Total Interested Person Transactions	28,500	34,074

BY ORDER OF THE BOARD

CHUA SU LI / NG KWEE LIAN

Company Secretaries

13 May 2015

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For more details on how the business of each Sector is managed and its related performance, please see the attached sections. The information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not made pursuant to any law or regulation.

News Release

Details on how the business of the Sector is managed and its related performance are set out below. This information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not required by law or regulation.

Aerospace

“Comparable Profits”

FINANCIAL HIGHLIGHTS For the first quarter ended 31 March 2015			
	2015 1Q	2014 1Q	Growth %
Revenue (\$m)	491	503	(2)
Earnings before interest and tax (EBIT) (\$m)	55.4	66.5	(17)
Other income, net (\$m)	6.3	3.6	75
Finance income/(costs), net (\$m)	2.3	(5.2)	146
Profit before tax (PBT) (\$m)	71.4	74.7	(4)
Profit attributable to shareholders (\$m)	57.3	60.5	(5)

N.B.: All currencies are in Singapore dollars.

Singapore Technologies Engineering Ltd

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(Regn. No.: 199706274H)

Engineering Our Future

Aerospace

Aerospace sector unaudited results for the first quarter ended 31 March 2015

	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
1. (a) Revenue	490,849	502,804	(2.4)
(b) Cost of sales	(402,445)	(397,065)	1.4
(c) Gross Profit	88,404	105,739	(16.4)
(d) Distribution and selling expenses	650	(4,007)	(116.2)
(e) Administrative expenses	(28,978)	(30,142)	(3.9)
(f) Other operating expenses	(4,648)	(5,121)	(9.2)
(g) Profit from operations	55,428	66,469	(16.6)
(h) Other income	6,302	3,613	74.4
(i) Other expenses	-	(16)	(100.0)
(j) Other income, net	6,302	3,597	75.2
(k) Finance income	9,745	2,612	273.1
(l) Finance costs	(7,402)	(7,763)	(4.7)
(m) Finance income/(costs), net	2,343	(5,151)	(145.5)
(n) Share of results of associates and joint ventures, net of tax	7,411	9,766	(24.1)
(o) Profit before taxation	71,484	74,681	(4.3)
(p) Taxation	(11,997)	(11,861)	1.1
(q) Profit for the period	59,487	62,820	(5.3)
Attributable to:			
(r) Shareholders of the Company	57,270	60,472	(5.3)
(s) Non-controlling interests	2,217	2,348	(5.6)
	59,487	62,820	(5.3)
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	16,214	14,937	8.5
(Write-back of allowance) / Allowance for doubtful debts & bad debts written off, net	(2,367)	323	<-500.0
Allowance for inventory obsolescence, net	5,783	2,298	151.7
(b) Finance income/(costs), net comprises			
Interest income	835	899	(7.1)
Foreign exchange gain, net	6,650	1,015	>500.0
Fair value changes of financial instruments/hedged items	(2,518)	(1,797)	40.1
Interest expenses	(2,625)	(5,318)	(50.6)
Others	1	50	(98.0)
	2,343	(5,151)	(145.5)

Aerospace

	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
3. (a) Profit for the period [1(q) above] as a percentage of revenue	12.1%	12.5%	
(b) Profit attributable to shareholders [1(r) above] as a percentage of share capital and reserves at end of period	7.9%	7.5%	
4. (a) Revenue reported for first quarter	490,849	502,804	(2.4)
(b) Profit for the period reported for first quarter	59,487	62,820	(5.3)
5. (a) There was an adjustment of \$568,000 for overprovision of current tax in respect of prior years. (1Q2014: There was an adjustment of \$861,000 and \$23,000 for overprovision of current tax and deferred tax respectively in respect of prior years).			
(b) There was no disposal of property during the period.			

6. Business Group Information

	Revenue			Profit before Taxation		
	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
<u>By Business Group</u>						
Aircraft Maintenance & Modification	242,482	280,962	(13.7)	40,861	52,833	(22.7)
Component/Engine Repair & Overhaul	150,194	146,469	2.5	13,432	12,674	6.0
Engineering & Material Services	98,173	75,373	30.2	17,191	9,174	87.4
Total	<u>490,849</u>	<u>502,804</u>	(2.4)	<u>71,484</u>	<u>74,681</u>	(4.3)
<u>By Geographical Areas</u>						
Asia	264,691	256,714	3.1			
USA	142,322	191,378	(25.6)			
Europe	38,597	22,988	67.9			
Others	45,239	31,724	42.6			
Total	<u>490,849</u>	<u>502,804</u>	(2.4)			
<u>By Country of Incorporation</u>						
Asia	366,975	382,278	(4.0)			
USA	108,878	105,612	3.1			
Europe	14,556	14,528	0.2			
Others	440	386	14.0			
Total	<u>490,849</u>	<u>502,804</u>	(2.4)			

Aerospace

7. Review of Performance

(a) Revenue

1Q2015 vs 1Q2014

1Q2015	1Q2014	Growth	
\$491m	\$503m	(\$12m)	(2%)

Revenue for 1Q2015 was comparable to that of 1Q2014. This was due to lower revenue in the **Aircraft Maintenance & Modification (AMM)** business group, partially offset by more Maintenance-by-the-Hour (MBH)TM programmes and project milestone completions in the **Engineering & Material Services (EMS)** business group.

(b) Profitability

1Q2015 vs 1Q2014

1Q2015	1Q2014	Growth	
\$71.4m	\$74.7m	(\$3.3m)	(4%)

The current quarter's PBT of \$71.4 million was comparable to 1Q2014 PBT of \$74.7 million by 4% or \$3.3 million. This was due to lower gross profit margin, partially offset by lower operating expenses and favourable foreign exchange impact.

8. Prospects

1H2015

Barring unforeseen circumstances, revenue and PBT for 1H2015 are expected to be comparable to 1H2014.

9. Balance Sheet

	31-Mar-15 \$'000	31-Dec-14 \$'000
Property, plant and equipment	687,382	671,068
Associates and joint ventures	319,113	322,508
Investments	12	12
Intangible assets	129,067	126,958
Long-term receivables, non-current	71	1,534
Deferred tax assets	19,932	19,941
Non-current assets	1,155,577	1,142,021
Current assets	1,399,620	1,383,006
Total assets	2,555,197	2,525,027
Current liabilities	1,159,861	1,139,953
Non-current liabilities	593,020	639,407
Total liabilities	1,752,881	1,779,360
Share capital and reserves	721,884	668,421
Non-controlling interests	80,432	77,246
Total equity and liabilities	2,555,197	2,525,027
Net current assets	239,759	243,053

Aerospace

10. Statement of Cash Flows for the first quarter ended 31 March 2015

	1Q2015 \$'000	1Q2014 \$'000
Net cash from operating activities	107,583	22,357
Net cash used in investing activities	(21,332)	(19,689)
Proceeds from sale of property, plant and equipment	1,094	472
Dividends from associates	7,080	6,529
Dividends from investments	1	-
Purchase of property, plant and equipment	(29,507)	(14,666)
Acquisition of intangible assets	-	(12,024)
Net cash used in financing activities	(77,828)	(511)
Capital contribution from immediate holding company	-	216,000
Repayment of loan to immediate holding company	(245,664)	-
Proceeds from inter-company loans, net	170,000	46,546
Repayment of short-term bank loans	-	(257,857)
Repayment of lease obligations	(88)	(93)
Interest paid	(2,076)	(5,107)
Net increase in cash and cash equivalents	8,423	2,157
Cash and cash equivalents at beginning of the period	243,497	382,022
Exchange difference on cash and cash equivalents at beginning of the period	2,214	(2,334)
Cash and cash equivalents at end of the period	<u>254,134</u>	<u>381,845</u>

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News Release

Details on how the business of the Sector is managed and its related performance are set out below. This information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not required by law or regulation.

Electronics

“Higher Profit in 1Q2015”

FINANCIAL HIGHLIGHTS For the first quarter ended 31 March 2015			
	2015 1Q	2014 1Q	Growth %
Revenue (\$m)	364	375	(3)
Earnings before interest and tax (EBIT) (\$m)	29.0	29.2	(1)
Other income, net (\$m)	6.2	3.7	70
Finance costs, net (\$m)	(0.4)	(0.7)	45
Profit before tax (PBT) (\$m)	34.9	32.3	8
Profit attributable to shareholders (\$m)	30.8	28.6	8

N.B.: All currencies are in Singapore dollars.

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Engineering Our Future

Electronics

Electronics sector unaudited results for the first quarter ended 31 March 2015

	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
1. (a) Revenue	363,675	375,214	(3.1)
(b) Cost of sales	(251,279)	(267,387)	(6.0)
(c) Gross Profit	112,396	107,827	4.2
(d) Distribution and selling expenses	(22,065)	(22,093)	(0.1)
(e) Administrative expenses	(39,974)	(34,461)	16.0
(f) Other operating expenses	(21,390)	(22,114)	(3.3)
(g) Profit from operations	28,967	29,159	(0.7)
(h) Other income	6,247	3,689	69.3
(i) Other expenses	-	(5)	(100.0)
(j) Other income, net	6,247	3,684	69.6
(k) Finance income	1,074	921	16.6
(l) Finance costs	(1,432)	(1,570)	(8.8)
(m) Finance costs, net	(358)	(649)	(44.8)
(n) Share of results of associates and joint ventures, net of tax	54	111	(51.4)
(o) Profit before taxation	34,910	32,305	8.1
(p) Taxation	(3,693)	(3,148)	17.3
(q) Profit for the period	31,217	29,157	7.1
Attributable to:			
(r) Shareholders of the Company	30,790	28,616	7.6
(s) Non-controlling interests	427	541	(21.1)
	31,217	29,157	7.1
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	9,431	8,445	11.7
Allowance/(write-back of allowance) for doubtful debts & bad debts written off, net	835	(456)	(283.1)
Allowance for inventory obsolescence, net	74	197	(62.4)
(b) Finance costs, net comprises:			
Interest income	1,040	921	12.9
Foreign exchange gain/(loss), net	28	(256)	(110.9)
Gain on disposal of an investment	6	-	NM
Interest expenses	(1,432)	(1,314)	9.0
	(358)	(649)	(44.8)

* NM - Not Meaningful

Electronics

	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
3. (a) Profit for the period [1(q) above] as a percentage of revenue	8.6%	7.8%	
(b) Profit attributable to shareholders [1(r) above] as a percentage of share capital and reserves at end of period	8.4%	8.6%	
4. (a) Revenue reported for first quarter	363,675	375,214	(3.1)
(b) Profit for the period reported for first quarter	31,217	29,157	7.1
5. (a) There was an overprovision of current tax of \$1,801,000 and an underprovision of deferred tax of \$160,000 in respect of prior years (1Q2014: There was overprovision of current tax and deferred tax of \$1,311,000 and \$76,000 respectively in respect of prior years).			
(b) There was no disposal of property during the period.			

6. Business Group Information

	Revenue			Profit before Taxation		
	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
<u>By Business Group</u>						
Large-Scale Systems Group	105,999	112,263	(5.6)	13,390	14,774	(9.4)
Communication & Sensor Systems Group	158,889	157,378	1.0	9,864	5,103	93.3
Software Systems Group	98,787	105,573	(6.4)	11,656	12,428	(6.2)
Total	<u>363,675</u>	<u>375,214</u>	(3.1)	<u>34,910</u>	<u>32,305</u>	8.1

By Geographical Areas

Asia	269,880	301,916	(10.6)
USA	26,486	22,086	19.9
Europe	24,610	25,221	(2.4)
Others	42,699	25,991	64.3
Total	<u>363,675</u>	<u>375,214</u>	(3.1)

By Country of Incorporation

Asia	292,762	313,773	(6.7)
USA	56,550	48,777	15.9
Europe	3,725	3,712	0.4
Others	10,638	8,952	18.8
Total	<u>363,675</u>	<u>375,214</u>	(3.1)

Electronics

7. Review of Performance

(a) Revenue

1Q2015 vs 1Q2014

1Q2015	1Q2014	Growth	
\$364m	\$375m	(\$11m)	(3%)

Revenue of \$364 million recorded in 1Q2015 was comparable to that of 1Q2014. **Communication & Sensor Systems Group's (CSG)** sales were comparable to that of 1Q2014. Both **Large-Scale Systems Group (LSG)** and **Software Systems Group (SSG)** recorded slightly lower sales mainly due to lower value project milestone completions.

(b) Profitability

1Q2015 vs 1Q2014

1Q2015	1Q2014	Growth	
\$34.9m	\$32.3m	\$2.6m	8%

The profit before tax of \$34.9 million for 1Q2015 was higher than that of 1Q2014 by 8% or \$2.6 million. Notwithstanding comparable sales and higher operating expenses, the Sector recorded higher profit mainly due to favourable sales mix and higher other income.

8. Prospects

1H2015

Barring unforeseen circumstances, revenue and profit before tax for 1H2015 are expected to be comparable to 1H2014.

9. Balance Sheet

	31-Mar-15 \$'000	31-Dec-14 \$'000
Property, plant and equipment	177,943	179,704
Associates and joint ventures	10,351	10,297
Investments	4,128	3,963
Intangible assets	327,493	304,545
Long-term receivables, non-current	196	187
Deferred tax assets	28,684	30,023
Non-current assets	548,795	528,719
Current assets	1,244,637	1,265,351
Total assets	1,793,432	1,794,070
Current liabilities	1,028,840	1,086,428
Non-current liabilities	524,386	510,536
Total liabilities	1,553,226	1,596,964
Share capital and reserves	234,533	191,847
Non-controlling interests	5,673	5,259
Total equity and liabilities	1,793,432	1,794,070
Net current assets	215,797	178,923

Electronics

10. Statement of Cash Flows for the first quarter ended 31 March 2015

	1Q2015 \$'000	1Q2014 \$'000
Net cash from operating activities	92,762	13,765
Net cash used in investing activities	(17,285)	(10,929)
Proceed from sale of property, plant and equipment	1	2
Purchase of property, plant and equipment	(5,329)	(10,793)
Acquisition of other intangible assets	(11,963)	(138)
Proceed from sale of an unquoted investment	6	-
Net cash (used in)/from financing activities	(44,138)	13,281
Repayment of a related party loan	(2,723)	(411)
Proceeds from related party loan	-	23,542
Loans to a related party	(45,000)	-
Repayment of loan by a related party	5,000	-
Repayment of lease obligations	-	(5)
Dividend paid to shareholder	-	(8,617)
Interest paid	(1,462)	(1,228)
Deposits discharged	47	-
Net increase in cash and cash equivalents	31,339	16,117
Cash and cash equivalents at beginning of the period	276,893	476,383
Exchange difference on cash and cash equivalents at beginning of the period	387	(684)
Cash and cash equivalents at end of the period	308,619	491,816

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News Release

Details on how the business of the Sector is managed and its related performance are set out below. This information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not required by law or regulation.

Land Systems

“Lower profit before tax”

FINANCIAL HIGHLIGHTS For the first quarter ended 31 March 2015			
	2015 1Q	2014 1Q	Growth %
Revenue (\$m)	347	326	6
Earnings before interest and tax (EBIT) (\$m)	8.5	14.8	(43)
Other income, net (\$m)	5.3	4.6	15
Finance costs, net (\$m)	(1.3)	(3.9)	66
Profit before tax (PBT) (\$m)	16.2	18.8	(14)
Profit attributable to shareholders (\$m)	15.5	16.6	(7)

N.B.: All currencies are in Singapore dollars.

Land Systems

Land Systems sector unaudited results for the first quarter ended 31 March 2015

	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
1. (a) Revenue	347,103	326,411	6.3
(b) Cost of sales	(289,183)	(256,982)	12.5
(c) Gross Profit	57,920	69,429	(16.6)
(d) Distribution and selling expenses	(13,207)	(19,266)	(31.4)
(e) Administrative expenses	(24,353)	(26,718)	(8.9)
(f) Other operating expenses	(11,884)	(8,689)	36.8
(g) Profit from operations	8,476	14,756	(42.6)
(h) Other income	5,774	5,055	14.2
(i) Other expenses	(400)	(399)	0.3
(j) Other income, net	5,374	4,656	15.4
(k) Finance income	2,347	961	144.2
(l) Finance costs	(3,656)	(4,863)	(24.8)
(m) Finance costs, net	(1,309)	(3,902)	(66.5)
(n) Share of results of associates and joint ventures, net of tax	3,678	3,313	11.0
(o) Profit before taxation	16,219	18,823	(13.8)
(p) Taxation	(1,864)	(4,778)	(61.0)
(q) Profit for the period	14,355	14,045	2.2
Attributable to:			
(r) Shareholders of the Company	15,484	16,581	(6.6)
(s) Non-controlling interests	(1,129)	(2,536)	(55.5)
	14,355	14,045	2.2
2. (a) Profit from operations is arrived at after charging the following:			
Depreciation and amortisation	9,461	9,064	4.4
Allowance for doubtful debts & bad debts written off, net	1,083	2,027	(46.6)
Allowance for inventory obsolescence, net	7,857	6,312	24.5
(b) Finance costs, net comprises:			
Interest income	728	707	3.0
Foreign exchange gain/(loss), net	889	(1,589)	(155.9)
Fair value changes of financial instruments/hedged items	12	(368)	(103.3)
Interest expenses	(2,938)	(2,652)	10.8
	(1,309)	(3,902)	(66.5)

Land Systems

	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
3. (a) Profit for the period [1(q) above] as a percentage of revenue	4.1%	4.3%	
(b) Profit attributable to shareholders [1(r) above] as a percentage of share capital and reserves at end of period	4.1%	3.9%	
4. (a) Revenue reported for first quarter	347,103	326,411	6.3
(b) Profit for the period reported for first quarter	14,355	14,045	2.2
5. (a) There was an under-provision of current tax of \$17,000 and over-provision of deferred tax of \$17,000 in respect of prior year. (1Q2014: There was an over-provision of current tax of \$6,000 in respect of prior years).			
(b) There was a disposal of property due to factory relocation in 1Q2015. Arising from government compensation for the relocation, there was no profit and loss impact.			

6. Business Group Information

	Revenue		+ / (-) %	Profit before Taxation		+ / (-) %
	1Q2015 \$'000	1Q2014 \$'000		1Q2015 \$'000	1Q2014 \$'000	
<u>By Business Group</u>						
Automotive	276,278	247,333	11.7	829	13	>500
Munitions & Weapon	48,348	59,614	(18.9)	7,358	13,516	(45.6)
Services, Trading & Others	22,477	19,464	15.5	8,032	5,294	51.7
Total	<u>347,103</u>	<u>326,411</u>	6.3	<u>16,219</u>	<u>18,823</u>	(13.8)

	1Q2015 \$'000	1Q2014 \$'000	
<u>By Geographical Areas</u>			
Asia	263,407	217,313	21.2
USA	66,075	62,109	6.4
Europe	6,665	5,071	31.4
Others	10,956	41,918	(73.9)
Total	<u>347,103</u>	<u>326,411</u>	6.3

By Country of Incorporation

	1Q2015 \$'000	1Q2014 \$'000	
Asia	274,341	258,029	6.3
USA	68,124	64,671	5.3
Europe	-	-	-
Others	4,638	3,711	25.0
Total	<u>347,103</u>	<u>326,411</u>	6.3

Land Systems

7. Review of Performance

(a) Revenue

1Q2015 vs 1Q2014

1Q2015	1Q2014	Growth	
\$347m	\$326m	\$21m	6%

1Q2015 revenue compared to 1Q2014 increased by 6% or \$21 million to \$347 million. This was due to higher revenue from **Automotive (Auto)** business group attributable mainly to higher project deliveries, partially offset by lower revenue from **Munitions & Weapon (M&W)** business group.

(b) Profitability

1Q2015 vs 1Q2014

1Q2015	1Q2014	Growth	
\$16.2m	\$18.8m	(\$2.6m)	(14%)

1Q2015 profit before tax (PBT) of \$16.2 million was lower than 1Q2014 PBT by 14% or \$2.6 million. This was due mainly to lower profits of the **M&W** business group, partially offset by higher profits of the **Services, Trading and Others (S&T)** business group. The **M&W** business group's lower profits were due mainly to lower revenue and unfavourable product mix, partially offset by lower operating expenses. The **S&T** business group had higher profits mainly from higher revenue, favourable product mix and share of higher profit of associate.

8. Prospects

1H2015

Barring unforeseen circumstances, revenue for 1H2015 is expected to be higher compared to 1H2014, while PBT is expected to be lower.

9. Balance Sheet

	31-Mar-15 \$'000	31-Dec-14 \$'000
Property, plant and equipment	367,987	372,275
Associates and joint ventures	108,501	112,750
Investments	187	378
Intangible assets	211,217	205,335
Long-term receivables, non-current	4	13
Finance lease receivables, non-current	803	973
Deferred tax assets	26,986	18,028
Amounts due from related parties, non-current	5,885	5,650
Derivative financial instruments	4,160	1,196
Non-current assets	725,730	716,598
Current assets	1,385,808	1,487,167
Total assets	2,111,538	2,203,765
Current liabilities	876,690	965,063
Non-current liabilities	954,089	966,263
Total liabilities	1,830,779	1,931,326
Share capital and reserves	231,676	223,060
Non-controlling interests	49,083	49,379
Total equity and liabilities	2,111,538	2,203,765
Net current assets	509,118	522,104

Land Systems

10. Statement of Cash Flows for the first quarter ended 31 March 2015

	1Q2015 \$'000	1Q2014 \$'000
Net cash from operating activities	70,481	42,796
Net cash used in investing activities	(6,473)	(18,755)
Proceeds from sale of property, plant and equipment	8	381
Short-term loan to a related company	(6,880)	-
Repayment of short-term loan by a joint venture	272	-
Dividends from associates	7,546	9,300
Purchase of property, plant and equipment	(7,419)	(28,436)
Net cash used in financing activities	(70,972)	(30,392)
Interest paid	(2,938)	(2,652)
Repayment of short-term related party loans	(50,000)	(893)
Proceeds from short-term related party loans	2,752	-
Repayment of short-term immediate holding company loans	(31,400)	(10,000)
Repayment of long-term loans	-	(38)
Repayment of short-term loans	(34)	-
Repayment of long-term bank loan	-	(46)
Proceeds from short-term bank loans	13,287	-
Repayment of short-term bank loans	(4,434)	(14,650)
Dividends paid to non-controlling interests	-	(2,040)
Capital contribution from non-controlling interests	51	-
Deposits discharged/ (pledged)	1,744	(73)
Net decrease in cash and cash equivalents	(6,964)	(6,351)
Cash and cash equivalents at beginning of the period	276,750	244,309
Exchange difference on cash and cash equivalents at beginning of the period	1,160	(331)
Cash and cash equivalents at end of the period	270,946	237,627

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News Release

Details on how the business of the Sector is managed and its related performance are set out below. This information is given on a voluntary basis and from the perspective of the Sector management, as its disclosure is not required by law or regulation.

Marine

“Lower profits”

FINANCIAL HIGHLIGHTS For the first quarter ended 31 March 2015			
	2015 1Q	2014 1Q	Growth %
Revenue (\$m)	280	324	(14)
Earnings before interest and tax (EBIT) (\$m)	18.6	28.2	(34)
Other income, net (\$m)	2.8	1.5	86
Finance income, net (\$m)	1.0	1.0	(4)
Profit before tax (PBT) (\$m)	23.4	31.5	(26)
Profit attributable to shareholders (\$m)	21.2	25.1	(16)

N.B.: All currencies are in Singapore dollars.

Marine

Marine sector unaudited results for the first quarter ended 31 March 2015:

	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
1. (a) Revenue	279,634	323,564	(13.6)
(b) Cost of sales	(249,279)	(281,801)	(11.5)
(c) Gross Profit	30,355	41,763	(27.3)
(d) Distribution and selling expenses	(1,001)	(2,105)	(52.4)
(e) Administrative expenses	(8,643)	(8,799)	(1.8)
(f) Other operating expenses	(2,150)	(2,653)	(19.0)
(g) Profit from operations	18,561	28,206	(34.2)
(h) Other income	2,863	1,543	85.5
(i) Other expenses	(32)	(23)	39.1
(j) Other income, net	2,831	1,520	86.3
(k) Finance income	950	1,080	(12.0)
(l) Finance costs	-	(94)	(100.0)
(m) Finance income, net	950	986	(3.7)
(n) Share of results of associates and joint ventures, net of tax	1,048	820	27.8
(o) Profit before taxation	23,390	31,532	(25.8)
(p) Taxation	(2,180)	(6,423)	(66.1)
(q) Profit for the period	21,210	25,109	(15.5)
Attributable to:			
(r) Shareholders of the Company	21,217	25,112	(15.5)
(s) Non-controlling interests	(7)	(3)	133.3
	21,210	25,109	(15.5)
2. (a) Profit from operations is arrived at after charging/(crediting) the following:			
Depreciation and amortisation	7,505	6,595	13.8
Write-back of allowance for doubtful debts & bad debts written off, net	(964)	(50)	NM
(Write-back of allowance)/Allowance for inventory obsolescence, net	(822)	22	NM
(b) Finance income, net comprises			
Interest income	865	541	59.9
Foreign exchange gain/(loss), net	85	(32)	(365.6)
Fair value changes of financial instruments/hedged items	-	477	(100.0)
	950	986	(3.7)

* NM - Not Meaningful

Marine

	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
3. (a) Profit for the period [1(q) above] as a percentage of revenue	7.6%	7.8%	
(b) Profit attributable to shareholders [1(r) above] as a percentage of share capital and reserves at end of period	10.9%	10.7%	
4. (a) Revenue reported for first quarter	279,634	323,564	(13.6)
(b) Profit for the period reported for first quarter	21,210	25,109	(15.5)
5. (a) There was an adjustment of \$400,000 for underprovision of current tax in respect of prior years (1Q2014: There was no over or under provision of current and deferred tax in respect of prior years).			
(b) There was no disposal of property during the period.			

6. Business Group Information

	Revenue			Profit before Taxation		
	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %	1Q2015 \$'000	1Q2014 \$'000	+ / (-) %
<u>By Business Group</u>						
Shipbuilding	179,059	246,536	(27.4)	387	16,128	(97.6)
Shiprepair	82,538	56,903	45.1	20,863	11,696	78.4
Engineering	18,037	20,125	(10.4)	2,140	3,708	(42.3)
Total	<u>279,634</u>	<u>323,564</u>	(13.6)	<u>23,390</u>	<u>31,532</u>	(25.8)

By Geographical Areas

Asia	90,787	83,201	9.1
USA	81,448	110,051	(26.0)
Europe	19,443	18,764	3.6
Others	87,956	111,548	(21.1)
Total	<u>279,634</u>	<u>323,564</u>	(13.6)

By Country of Incorporation

Asia	200,482	215,888	(7.1)
USA	79,152	107,676	(26.5)
Europe	-	-	-
Others	-	-	-
Total	<u>279,634</u>	<u>323,564</u>	(13.6)

Marine

7. Review of Performance

(a) Revenue

1Q2015 vs 1Q2014

1Q2015	1Q2014	Growth	
\$280m	\$324m	(\$44m)	(14%)

Revenue for 1Q2015 was lower than 1Q2014 by 14% or \$44 million. The decrease was due mainly to lower revenue recognition from **Shipbuilding** contracts from both the local and US operations partially offset by higher **Shiprepair** revenue.

(b) Profitability

1Q2015 vs 1Q2014

1Q2015	1Q2014	Growth	
\$23.4m	\$31.5m	(\$8.1m)	(26%)

The current quarter's profit before tax ("PBT") of \$23.4 million was lower than 1Q2014 by 26% or \$8.1 million. The lower PBT was due mainly to lower gross profits due to lower **Shipbuilding** revenue coupled with weaker **Shipbuilding** performance from the US operations.

8. Prospects

1H2015

Barring unforeseen circumstances, revenue and PBT for 1H2015 are expected to be lower compared to 1H2014.

9. Balance Sheet

	31-Mar-15 \$'000	31-Dec-14 \$'000
Property, plant and equipment	336,855	334,075
Joint ventures	9,207	8,159
Intangible assets	92	94
Long-term receivables, non-current	285	1,001
Amounts due from related parties, non-current	4,806	12,806
Derivative financial instruments	4,053	605
Deferred tax assets	23,427	19,021
Non-current assets	378,725	375,761
Current assets	842,421	738,494
Total assets	1,221,146	1,114,255
Current liabilities	949,341	856,315
Non-current liabilities	104,084	99,068
Total liabilities	1,053,425	955,383
Share capital and reserves	167,689	158,834
Non-controlling interests	32	38
Total equity and liabilities	1,221,146	1,114,255
Net current liabilities	(106,920)	(117,821)

Marine

10. Statement of Cash Flows for the first quarter ended 31 March 2015

	1Q2015 \$'000	1Q2014 \$'000
Net cash from operating activities	54,334	54,287
Net cash used in investing activities	(4,618)	(5,329)
Proceeds from sale of property, plant and equipment	120	9
Purchase of property, plant and equipment	(4,738)	(5,338)
Net cash used in financing activities	(63,486)	(3,749)
Loans to related corporations	(134,128)	-
Repayment of loans by related corporations	70,642	-
Dividend paid to shareholder of the Company	-	(3,749)
Net increase/(decrease) in cash and cash equivalents	(13,770)	45,209
Cash and cash equivalents at beginning of the period	224,027	333,058
Exchange difference on cash and cash equivalents at beginning of the period	933	(582)
Cash and cash equivalents at end of the period	<u>211,190</u>	<u>377,685</u>

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