

News Release

ST Engineering Posts Higher Year-on-Year Revenue and Profits for 3Q2019

FINANCIAL HIGHLIGHTS For the third quarter ended 30 September 2019						
	2019 3Q	2018 3Q	Growth %	2019 9M	2018 9M	Growth %
Revenue (\$m)	2,069	1,626	27	5,580	4,924	13
Earnings before interest and tax (EBIT) (\$m)	163.1	143.6	14	462.9	410.3	13
Other income, net (\$m)	7.2	11.9	(39)	24.7	39.7	(38)
Finance (costs)/income, net (\$m)	(10.5)	0.7	NM	(19.8)	(27.3)	(27)
Profit before tax (PBT) (\$m)	166.8	165.8	1	496.5	460.2	8
Profit attributable to shareholders (\$m)	139.1	134.6	3	408.4	369.8	10
Earnings per share (cents)	4.46	4.32	3	13.09	11.86	10

- Profit attributable to shareholders would have been 12% higher year-on-year at \$150.3m if the arbitration outcome for Hornbeck Offshore Services' claim was excluded
- Strong order book of \$15.9b at end September 2019, of which about \$2.2b is expected to be delivered in the remaining months of 2019
- Commercial sales and defence sales constituted 75% or \$1.6b and 25% or \$0.5b respectively
- Cash and cash equivalents of \$0.8b recorded as at end September 2019, before the payment of \$350.5m consideration for Newtec acquisition that was completed on 1 October 2019

N.B.: All currencies are in Singapore dollars

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Singapore, 11 November 2019 - Singapore Technologies Engineering Ltd (ST Engineering) today reported that the Group revenue for its third quarter ended 30 September 2019 (3Q2019) was 27% higher at \$2.07b versus \$1.63b a year ago. Compared to the same period last year, quarterly Profit before Tax (PBT) was up 1% to \$166.8m from \$165.8m and Profit attributable to shareholders (Net Profit) grew 3% to \$139.1m from \$134.6m. Excluding the provision of \$14.2m before tax made for the arbitration outcome with Hornbeck Offshore Services, LLC (Hornbeck) as announced on 23 October 2019, the Group's PBT would have been 9% higher year-on-year (y-o-y) at \$181.0m and Net Profit would have been up 12% y-o-y at \$150.3m.

At the business sectors, revenue for the Aerospace sector grew 53% y-o-y to \$1.1b from \$689m largely due to MRAS' contribution and revenue recognised from various end-of-programme reviews. Its Net Profit was up 17% y-o-y to \$65.0m from \$55.4m mainly due to MRAS' contribution and end-of-programme reviews partly offset by assets impairment including rotables, and the absence of prior year's divestment gain. Revenue for the Electronics sector was \$538m, up 10% from \$491m a year ago driven by higher revenue from overseas mobility projects and software systems projects, and its Net Profit was 7% lower y-o-y at \$51.5m from \$55.5m, largely due to increased investments in new growth areas. In spite of a 3% y-o-y increase in revenue to \$307m from \$297m, Net Profit for the Land Systems sector was 14% lower at \$15.1m from \$17.6m a year ago mainly due to the absence of a favourable tax credit recorded in the prior year and its continued investments in robotics capabilities. Revenue for Marine sector grew 13% to \$155m from \$137m the year before, driven by broad-based growth across its business groups while its Net Profit would have been 14% higher y-o-y at \$14.6m if the amount for arbitration outcome was excluded.

“Amidst the trade tensions and geopolitical uncertainties which continue to weigh on the global economy, we continue to pursue growth areas, build capabilities, and integrate MRAS, Newtec and Glowlink into the Group.

Our core business remains strong and our Group's robust order book of \$15.9b continues to provide revenue visibility for the next few years.”

Vincent Chong, President & CEO, ST Engineering

Commercial sales and defence sales contributed 75% and 25% respectively to the Group's revenue in 3Q2019. The Group ended the quarter with \$0.8b cash and cash equivalents, prior to the payment of \$350.5m consideration for Newtec acquisition that was closed on 1 October 2019.

Nine Months Results: 9M2019 versus 9M2018

In the nine months ended 30 September 2019 (9M2019), the Group achieved revenue of \$5.6b, up 13% from \$4.9b a year ago. PBT was 8% higher at \$496.5m from \$460.2m the year before and Net Profit grew 10% y-o-y to \$408.4m from \$369.8m.

The Aerospace sector recorded revenue of \$2.5b, up 26% from \$2.0b and its Net Profit was 6% higher at \$191.9m versus \$181.2m a year ago. Revenue for the Electronics sector was flat at \$1.6b and its Net Profit was 2% lower at \$139.1m compared with \$142.4m the year before. The Land Systems sector revenue grew 16% y-o-y to \$980m from \$847m and its Net Profit came in 5% lower at \$50.6m compared to \$53.6m a year ago. Revenue for the Marine sector was \$443m, up 2% from \$435m the year before, and its Net Profit was 3% lower y-o-y at \$29.7m from \$30.7m. "Others" revenue was up 52% y-o-y to \$51m from \$34m, and Net Loss narrowed to \$2.9m compared to \$38.1m a year ago because of the absence of MTN redemption related costs.

Order book and order wins in 3Q2019

As at 30 September 2019, the Group's order book stood at a high of \$15.9b, of which \$2.2b will be delivered in the remaining months of 2019.

The Group announced a total of \$1.8b worth of new contracts for 3Q2019. \$1.0b was from the Aerospace sector for a spectrum of aviation manufacturing and services including multi-year MRO agreements for both defence and commercial customers, engine nacelle component and floor panel manufacturing. \$833m was from the Electronics sector, received from global customers for its satellite communications, mobility, public safety and security, Internet of Things, training and simulation, cybersecurity and defence solutions.

ST Engineering is a global technology, defence and engineering group specialising in the aerospace, electronics, land systems and marine sectors. The Group employs about 22,000 people across offices in Asia, the Americas, Europe and the Middle East, serving customers in the defence, government and commercial segments in more than 100 countries. With more than 500 smart city projects across 70 cities in its track record, the Group continues to help transform cities through its suite of Smart Mobility, Smart Security and Smart Environment solutions. Headquartered in Singapore, ST Engineering reported revenue of \$6.7b in FY2018 and it ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, MSCI Singapore, SGX ESG Transparency Index and SGX ESG Leaders Index.

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FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019
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SINGAPORE TECHNOLOGIES ENGINEERING LTD
UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

1 CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

	GROUP					
	3Q2019	3Q2018	+ / (-)	9M2019	9M2018	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	2,068,614	1,626,210	27.2	5,579,956	4,923,900	13.3
Cost of sales	(1,635,460)	(1,283,569)	27.4	(4,416,607)	(3,905,435)	13.1
Gross profit	433,154	342,641	26.4	1,163,349	1,018,465	14.2
Distribution and selling expenses (refer to para 1.6)	(102,115)	(49,246)	107.4	(201,467)	(145,009)	38.9
Administrative expenses	(135,389)	(126,948)	6.6	(405,172)	(376,714)	7.6
Other operating expenses (refer to para 1.7)	(32,531)	(22,809)	42.6	(93,780)	(86,466)	8.5
Earnings before interest and tax	163,119	143,638	13.6	462,930	410,276	12.8
Other income	7,221	11,891	(39.3)	24,680	44,817	(44.9)
Other expenses	-	-	NM	-	(5,076)	NM
Other income, net (refer to para 1.8)	7,221	11,891	(39.3)	24,680	39,741	(37.9)
Finance income	2,603	7,680	(66.1)	12,689	21,518	(41.0)
Finance costs	(13,115)	(6,965)	88.3	(32,472)	(48,803)	(33.5)
Finance (costs)/income, net (refer to para 1.2)	(10,512)	715	NM	(19,783)	(27,285)	(27.5)
Share of results of associates and joint ventures, net of tax	7,018	9,577	(26.7)	28,655	37,471	(23.5)
Profit before taxation	166,846	165,821	0.6	496,482	460,203	7.9
Taxation	(25,098)	(23,823)	5.4	(79,352)	(77,049)	3.0
Profit after taxation	141,748	141,998	(0.2)	417,130	383,154	8.9
Attributable to:						
Shareholders of the Company	139,141	134,594	3.4	408,423	369,787	10.4
Non-controlling interests	2,607	7,404	(64.8)	8,707	13,367	(34.9)
	141,748	141,998	(0.2)	417,130	383,154	8.9

NM: Not Meaningful

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

	GROUP					
	3Q2019	3Q2018	+ / (-)	9M2019	9M2018	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
1.1 Earnings before interest and tax is arrived at after charging the following:						
Depreciation and amortisation	98,967	65,351	51.4	270,598	180,781	49.7
The higher depreciation and amortisation in 3Q2019 was mainly attributable to the acquisition of MRA Systems, LLC (MRAS) on 18 April 2019 and depreciation of right-of-use assets following the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 16 - Leases on 1 January 2019.						
Impairment loss/(write-back) on trade receivables and contract assets	51,780	(405)	NM	53,781	(1,995)	NM
The impairment loss in 3Q2019 was due mainly to impairment of receivables in Aerospace and Electronics sectors.						
Allowance for inventory obsolescence, net	40,525	11,318	258.1	64,343	32,825	96.0
The higher allowance for inventory obsolescence in 3Q2019 was mainly contributed by Aerospace and Land Systems sectors.						
1.2 Finance (costs)/income, net comprises:						
Interest income	1,587	2,488	(36.2)	7,908	16,377	(51.7)
Foreign exchange (loss)/gain, net	(173)	9,748	NM	2,557	3,219	(20.6)
Fair value changes of financial instruments / hedged items	383	(6,781)	NM	(396)	(1,122)	(64.7)
Loss on disposal of investments, net	-	(263)	NM	-	(5,145)	NM
Interest expenses	(12,309)	(4,476)	175.0	(30,016)	(40,614)	(26.1)
Others	-	(1)	NM	164	-	NM
	<u>(10,512)</u>	<u>715</u>	NM	<u>(19,783)</u>	<u>(27,285)</u>	(27.5)
The higher interest expense in 3Q2019 was mainly attributable to loans drawn down to finance the acquisition of MRAS and interest on lease obligations under SFRS(I) 16.						
1.3 Profit after taxation as a percentage of revenue	6.9%	8.7%		7.5%	7.8%	
1.4 Profit attributable to shareholders as a percentage of share capital and reserves at end of the period	6.6%	6.3%		19.3%	17.4%	
1.5 The Group's tax charge in 3Q2019 included adjustments for underprovision of current and deferred tax of \$0.3 million and \$2.1 million respectively in respect of prior years. (3Q2018: Adjustments for overprovision of current tax and underprovision of deferred tax of \$0.5 million and \$5.9 million respectively.)						
1.6 The higher selling and distribution expenses in 3Q2019 (by \$52.9 million) was due mainly to impairment of trade receivables.						
1.7 The higher other operating expenses (by \$9.7 million) arose mainly from higher research and development activities and amortisation expense.						
1.8 The lower other income, net (by \$4.7 million) was mainly attributable to absence of divestment gain from portfolio rationalisation activities and lower government grants.						
1.9 There was no disposal of property during the period.						

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

	GROUP		
	2019 \$'000	2018 \$'000	+ / (-) %
Revenue reported for first half year	3,511,342	3,297,690	6.5
Profit after taxation reported for first half year	275,382	241,156	14.2
Revenue reported for third quarter	2,068,614	1,626,210	27.2
Profit after taxation reported for third quarter	141,748	141,998	(0.2)
Revenue reported for first nine months	5,579,956	4,923,900	13.3
Profit after taxation reported for first nine months	417,130	383,154	8.9

1(c) EARNINGS PER ORDINARY SHARE (EPS)

	GROUP				
	3Q2019	3Q2018	9M2019	9M2018	FY2018
EPS based on profit attributable to shareholders:	Cents	Cents	Cents	Cents	Cents
(i) Based on weighted average number of ordinary shares on issue	4.46	4.32	13.09	11.86	15.85
(ii) On a fully diluted basis	4.43	4.29	13.01	11.79	15.76

2 BALANCE SHEETS

	GROUP		COMPANY	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,866,088	1,742,742	23,767	18,129
Right-of-use assets	492,424	-	190	-
Subsidiaries	-	-	1,323,282	1,328,153
Associates and joint ventures	455,570	455,703	17,657	17,657
Investments	16,576	16,392	-	-
Intangible assets	1,659,130	1,151,238	-	-
Long-term trade receivables	1,651	1,172	-	-
Deferred tax assets	82,169	72,136	365	365
Amounts due from related parties	4,806	4,806	-	-
Advances and other receivables	11,024	20,074	-	-
Derivative financial instruments	15,129	11,483	-	-
	4,604,567	3,475,746	1,365,261	1,364,304
Current assets				
Contract assets	1,402,205	1,070,396	-	-
Inventories	1,309,047	1,183,510	-	-
Trade receivables	1,113,220	1,137,816	-	-
Amounts due from related parties	13,646	35,392	45,867	46,382
Advances and other receivables	309,231	253,961	5,501	9,170
Short-term investments	537	422	-	-
Bank balances and other liquid funds	760,396	415,780	2,501	273,456
	4,908,282	4,097,277	53,869	329,008
TOTAL ASSETS	9,512,849	7,573,023	1,419,130	1,693,312
EQUITY AND LIABILITIES				
Current liabilities				
Contract liabilities	1,226,138	1,324,093	-	-
Deposits from customers	7,762	4,219	-	-
Trade payables and accruals	1,908,003	1,829,758	11,608	21,337
Amounts due to related parties	75,274	85,445	220,762	210,275
Provisions	211,116	212,935	-	-
Provision for taxation	151,363	163,232	1,787	4,518
Borrowings	1,959,236	225,416	120	-
Deferred Income	3,657	3,761	-	-
Employee benefits	12,990	2,401	-	-
	5,555,539	3,851,260	234,277	236,130
NET CURRENT (LIABILITIES) / ASSETS	(647,257)	246,017	(180,408)	92,878

2 BALANCE SHEETS (cont'd)

	GROUP		COMPANY	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	\$'000	\$'000	\$'000	\$'000
Non-current liabilities				
Contract liabilities	473,086	495,453	-	-
Trade payables and accruals	59,849	80,345	6,519	8,706
Amounts due to related parties	-	-	1,114	964
Provisions	16,955	-	-	-
Deferred tax liabilities	156,100	170,726	-	-
Borrowings	476,169	270,363	198	-
Deferred income	35,702	42,405	-	-
Employee benefits	320,998	108,016	-	-
Derivative financial instruments	35,072	19,842	-	-
	1,573,931	1,187,150	7,831	9,670
TOTAL LIABILITIES	7,129,470	5,038,410	242,108	245,800
NET ASSETS	2,383,379	2,534,613	1,177,022	1,447,512
Share capital and reserves				
Share capital	895,926	895,926	895,926	895,926
Treasury shares	(16,379)	(9,030)	(16,379)	(9,030)
Capital reserves	112,751	118,174	(3,224)	2,199
Other reserves	(133,121)	(72,054)	62,886	65,054
Retained earnings	1,253,495	1,313,361	237,813	493,363
Equity attributable to owners				
of the Company	2,112,672	2,246,377	1,177,022	1,447,512
Non-controlling interests	270,707	288,236	-	-
	2,383,379	2,534,613	1,177,022	1,447,512
TOTAL EQUITY AND LIABILITIES	9,512,849	7,573,023	1,419,130	1,693,312

2(a) ANALYSIS OF BALANCE SHEETS

Compared to 31 December 2018, the Group's total assets increased due mainly to the acquisition of MRAS on 18 April 2019 and the recognition of right-of-use assets with effect from 1 January 2019 in accordance with SFRS(I) 16. The increase in total liabilities was due mainly to the issuance of short-term unsecured promissory notes under the US\$1.5 billion U.S. Commercial Paper Programme (CP Programme) and the inclusion of lease liabilities arising from SFRS(I) 16 adoption as part of borrowings.

2(b) BORROWINGS

	GROUP		COMPANY	
	As at 30-Sep-19 \$'000	As at 31-Dec-18 \$'000	As at 30-Sep-19 \$'000	As at 31-Dec-18 \$'000
<u>Amount repayable within one year</u>				
Secured	74,351	18,185	120	-
Unsecured	1,884,885	207,231	-	-
	<u>1,959,236</u>	<u>225,416</u>	<u>120</u>	<u>-</u>
<u>Amount repayable after one year</u>				
Secured	421,726	77,341	198	-
Unsecured	54,443	193,022	-	-
	<u>476,169</u>	<u>270,363</u>	<u>198</u>	<u>-</u>
Total	<u>2,435,405</u>	<u>495,779</u>	<u>318</u>	<u>-</u>

2(c) NET ASSET VALUE

	GROUP		
	3Q2019	3Q2018	FY2018
	Cents	Cents	Cents
Net asset value per ordinary share at end of the period/year	67.75	68.30	72.00

	COMPANY		
	3Q2019	3Q2018	FY2018
	Cents	Cents	Cents
Net asset value per ordinary share at end of the period/year	37.75	43.99	46.40

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

	GROUP			
	3Q2019	3Q2018	9M2019	9M2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before taxation	166,846	165,821	496,482	460,203
Adjustments:				
Share of results of associates and joint ventures, net of tax	(7,018)	(9,577)	(28,655)	(37,471)
Share-based payment expense	6,303	6,342	17,511	13,791
Depreciation charge	72,867	49,166	205,709	144,334
Property, plant and equipment written off	526	290	902	571
Amortisation of other intangible assets	26,100	16,185	64,889	36,447
Impairment loss on property, plant and equipment	2,111	-	2,111	-
Impairment/(write-back) of other intangible assets	20,825	(8)	20,825	(11)
(Gain)/loss on disposal of property, plant and equipment	(365)	460	(1,212)	(1,751)
Gain on disposal of intangible assets	-	(39)	-	(39)
Loss on disposal of investments, net	-	263	-	5,145
Gain on disposal of associates	-	(3,766)	(648)	(12,426)
(Gain)/loss on disposal of subsidiaries	(233)	-	(233)	4,752
Changes in fair value of financial instruments and hedged items	(383)	6,782	396	1,122
Interest expense	12,309	4,476	30,016	40,614
Interest income	(1,587)	(2,488)	(7,908)	(16,377)
Dividends from investments	-	-	(164)	-
Amortisation of deferred income	(16)	(16)	(49)	(49)
Operating cash flow before working capital changes	298,285	233,891	799,972	638,855
Changes in:				
Inventories	(10,469)	(77,279)	30,718	(118,933)
Contract assets	(93,143)	(3,719)	(172,626)	(227,520)
Trade receivables	40,250	(66,512)	100,625	50,152
Advance payments to suppliers	(38,534)	(3,288)	(53,498)	19,533
Other receivables, deposits and prepayments	(5,998)	89,141	(16,615)	(24,331)
Amount due from holding company and related corporations balances	3,588	262	3,775	13,684
Amount due to holding company and related corporations balances	370	(159)	(2,208)	794
Amount due from associates	21	(10,484)	3,565	(5,465)
Amount due from joint ventures	(5,574)	(150)	10,443	(4,063)
Contract liabilities	(175,815)	(137,743)	(133,762)	60,873
Trade payables	(72,147)	29,995	(59,514)	153,788
Deposits from customers	3,032	(3,024)	3,543	541
Other payables, accruals and provisions	86,813	38,526	7,548	(22,346)
Loans to staff and third parties	1,514	1,535	(1,493)	(1,024)
Deferred income	247	(12,683)	(1,047)	(20,045)
Foreign currency translation of foreign operations	3,176	3,748	1,533	2,901
Cash generated from operations	35,616	82,057	520,959	517,394
Interest received	3,812	3,404	7,808	22,880
Income tax paid	(45,121)	(42,184)	(111,628)	(101,255)
Net cash (used in)/from operating activities	(5,693)	43,277	417,139	439,019

3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019
 (cont'd)

	GROUP			
	3Q2019	3Q2018	9M2019	9M2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	950	94	1,885	2,662
Proceeds from disposal of associates and return of capital from joint venture	-	13,436	648	27,682
Proceeds from sale and maturity of investments	-	45,903	-	375,087
Proceeds from unwinding of cross currency interest rate swaps	-	-	-	13,210
Proceeds from sale of intangible assets	-	62	-	62
Dividends from associates and joint ventures	10,526	11,505	33,609	50,753
Dividends from investments	-	-	164	-
Purchase of property, plant and equipment	(87,797)	(48,976)	(196,057)	(143,951)
Purchase of investments	-	(6,836)	-	(40,920)
Investment in associates and joint ventures	(9,340)	(11,905)	(13,573)	(26,585)
Additions to other intangible assets	(17,429)	(30,705)	(64,192)	(69,042)
Acquisition of controlling interests in subsidiaries	(26,227)	-	(715,132)	-
Disposal of subsidiaries, net of cash disposed	-	(2,622)	-	(2,622)
Net cash (used in)/from investing activities	(129,317)	(30,044)	(952,648)	186,336
Cash flows from financing activities				
Proceeds from bank loans	78,644	83,287	1,076,758	133,729
Proceeds from commercial papers	1,479,304	-	1,479,304	-
Proceeds from a loan from a joint venture	-	7,000	-	17,925
Repayment of bank loans	(781,675)	(40,258)	(1,030,274)	(201,708)
Repayment of other loans	-	-	-	(148)
Repayment of lease obligations	(12,350)	(172)	(82,545)	(524)
Repayment of loan from a joint venture	-	(4,952)	(4,000)	(21,805)
Redemption of medium term notes	-	(681,100)	-	(681,100)
Purchase of treasury shares	(10,334)	(3,247)	(32,451)	(4,354)
Capital contribution from non-controlling interests of a subsidiary	-	-	375	432
Return of capital to non-controlling interests of a subsidiary	(8,652)	-	(8,652)	-
Dividends paid to shareholders of the Company	(155,992)	(155,968)	(468,156)	(468,004)
Dividends paid to non-controlling interests	-	(676)	(9,135)	(2,787)
Interest paid	(20,143)	(32,405)	(44,185)	(48,811)
Deposits discharged/(pledged)	123	(4)	117	(17)
Net cash from/(used in) financing activities	568,925	(828,495)	877,156	(1,277,172)
Net increase/(decrease) in cash and cash equivalents	433,915	(815,262)	341,647	(651,817)
Cash and cash equivalents at beginning of the period	321,091	1,165,989	414,400	997,614
Exchange difference on cash and cash equivalents at beginning of the period	4,127	473	3,086	5,403
Cash and cash equivalents at end of the period	759,133	351,200	759,133	351,200

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

The Group ended the quarter with cash and cash equivalents (CCE) of \$759 million, \$408 million higher than 3Q2018. In 3Q2019, notwithstanding the higher earnings before interest and tax, depreciation and amortisation (EBITDA) generated by the Group, the Group utilised net cash of \$6 million in its operations as compared to net cash generated from operating activities of \$43 million in 3Q2018, as a result of higher working capital requirements.

Net cash used in investing activities of \$129 million in 3Q2019 was attributable mainly to the acquisition of Glowlink Communications Technology, Inc on 17 September 2019 (\$26 million), investment in property, plant and equipment by Aerospace (\$61 million), Electronics (\$17 million), Land Systems (\$6 million), Marine (\$2 million) sectors and Others (\$2 million), and additions to intangible assets (\$17 million).

Net cash from financing activities of \$569 million in 3Q2019 was mainly attributable to the issuance of notes under the CP Programme (\$1,479 million), partially offset by net repayment of bank loans (\$703 million) and payment of FY2019 interim dividend (\$156 million).

4 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

The Statement of Comprehensive Income included as part of the results announcement is in compliance with the SFRS(I).

	GROUP					
	3Q2019	3Q2018	+ / (-)	9M2019	9M2018	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit after taxation	141,748	141,998	(0.2)	417,130	383,154	8.9
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Equity investments at FVOCI - net change in fair value	(108)	155	NM	115	236	(51.3)
Items that are or may be reclassified subsequently to profit or loss						
Debt investments at FVOCI - reclassified to income statement	-	122	NM	-	(2,343)	NM
Net fair value changes of cash flow hedges reclassified to income statement	(1,370)	2,062	NM	(14,786)	(635)	>500
Effective portion of changes in fair value of cash flow hedges	(19,157)	(821)	>500	(30,536)	(16,161)	88.9
Share of net fair value changes of cash flow hedges of joint ventures	(2,021)	(32)	>500	(8,174)	(64)	>500
Foreign currency translation differences	156	1,445	(89.2)	(15,192)	14,364	NM
Share of foreign currency translation differences of associates and joint ventures	1,249	(4,130)	NM	(1,429)	(538)	165.6
Reserves released on disposal of subsidiaries	234	337	(30.6)	234	6,131	(96.2)
Other comprehensive (loss)/income for the period, net of tax	(21,017)	(862)	>500	(69,768)	990	NM
Total comprehensive income for the period, net	120,731	141,136	(14.5)	347,362	384,144	(9.6)
Total comprehensive income attributable to:						
Shareholders of the Company	125,234	133,781	(6.4)	347,269	377,663	(8.0)
Non-controlling interests	(4,503)	7,355	NM	93	6,481	(98.6)
	120,731	141,136	(14.5)	347,362	384,144	(9.6)

5 STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

Group	Share capital	Treasury Shares	Capital reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1.7.2018	895,926	(7,474)	118,237	(67,145)	1,210,087	2,149,631	278,735	2,428,366
Total comprehensive income for the period								
Profit after taxation for the period	-	-	-	-	134,594	134,594	7,404	141,998
Other comprehensive income								
Net change in fair value -								
Equity investments at FVOCI	-	-	-	155	-	155	-	155
Reclassified to income statement -								
Debt investments at FVOCI	-	-	-	122	-	122	-	122
Net fair value changes on cash flow hedges	-	-	-	1,713	-	1,713	349	2,062
Effective portion of changes in fair value of cash flow hedges	-	-	-	(317)	-	(317)	(504)	(821)
Share of net fair value changes of cash flow hedges of a joint venture	-	-	-	(32)	-	(32)	-	(32)
Foreign currency translation differences	-	-	-	1,339	-	1,339	106	1,445
Share of foreign currency translation differences of associates and joint	-	-	-	(4,130)	-	(4,130)	-	(4,130)
Reserves released on disposal of subsidiaries	-	-	-	337	-	337	-	337
<i>Other comprehensive loss for the period, net of tax</i>	-	-	-	(813)	-	(813)	(49)	(862)
Total comprehensive income for the period, net of tax	-	-	-	(813)	134,594	133,781	7,355	141,136
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Cost of share-based payment	-	-	-	6,319	-	6,319	23	6,342
Purchase of treasury shares	-	(3,247)	-	-	-	(3,247)	-	(3,247)
Treasury shares reissued pursuant to share plans	-	573	(24)	(549)	-	-	-	-
Dividends paid	-	-	-	-	(155,968)	(155,968)	-	(155,968)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(676)	(676)
<i>Total contributions by and distributions to owners of the Company</i>	-	(2,674)	(24)	5,770	(155,968)	(152,896)	(653)	(153,549)
Total transactions with owners of the Company	-	(2,674)	(24)	5,770	(155,968)	(152,896)	(653)	(153,549)
At 30.09.2018	895,926	(10,148)	118,213	(62,188)	1,188,713	2,130,516	285,437	2,415,953

5 STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019 (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 1.7.2019	895,926	(6,647)	112,908	(125,661)	1,270,346	2,146,872	284,023	2,430,895
Total comprehensive income for the period								
Profit after taxation for the period	-	-	-	-	139,141	139,141	2,607	141,748
Other comprehensive income								
Net change in fair value -								
Equity investments at FVOCI	-	-	-	(108)	-	(108)	-	(108)
Reclassified to income statement -								
Net fair value changes on cash flow hedges	-	-	-	(1,433)	-	(1,433)	63	(1,370)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(13,738)	-	(13,738)	(5,419)	(19,157)
Share of net fair value changes of cash flow hedges of joint ventures	-	-	-	(2,021)	-	(2,021)	-	(2,021)
Foreign currency translation differences	-	-	-	2,401	-	2,401	(2,245)	156
Share of foreign currency translation differences of associates and joint ventures	-	-	-	1,249	-	1,249	-	1,249
Reserves released on disposal of subsidiaries	-	-	-	(257)	-	(257)	491	234
<i>Other comprehensive loss for the period, net of tax</i>	-	-	-	(13,907)	-	(13,907)	(7,110)	(21,017)
Total comprehensive income for the period, net of tax	-	-	-	(13,907)	139,141	125,234	(4,503)	120,731
Hedging gains and losses and cost of hedging transferred to the cost of inventory	-	-	-	424	-	424	-	424
Transactions with owners of the Company, recognised directly in equity								
Contributions by and distributions to owners of the Company								
Return of capital to non-controlling interests	-	-	-	-	-	-	(8,652)	(8,652)
Cost of share-based payment	-	-	-	6,277	-	6,277	26	6,303
Purchase of treasury shares	-	(10,334)	-	-	-	(10,334)	-	(10,334)
Treasury shares reissued pursuant to share plans	-	602	(157)	(254)	-	191	-	191
Dividends paid	-	-	-	-	(155,992)	(155,992)	-	(155,992)
<i>Total contributions by and distributions to owners of the Company</i>	-	(9,732)	(157)	6,023	(155,992)	(159,858)	(8,626)	(168,484)
Changes in ownership interests in subsidiaries								
Disposal of subsidiary	-	-	-	-	-	-	(187)	(187)
Total transactions with owners of the Company	-	(9,732)	(157)	6,023	(155,992)	(159,858)	(8,813)	(168,671)
At 30.09.2019	895,926	(16,379)	112,751	(133,121)	1,253,495	2,112,672	270,707	2,383,379

5 STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019 (cont'd)

Company	Share capital \$'000	Treasury Shares \$'000	Capital reserve \$'000	Share-based payment reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1.7.2018	895,926	(7,474)	2,258	53,642	276,731	1,221,083
Total comprehensive income for the period						
Profit after taxation for the period	-	-	-	-	303,897	303,897
Total comprehensive income for the period	-	-	-	-	303,897	303,897
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Cost of share-based payment	-	-	-	6,342	-	6,342
Purchase of treasury shares	-	(3,247)	-	-	-	(3,247)
Treasury shares reissued pursuant to share plans	-	573	(20)	(553)	-	-
Dividends paid	-	-	-	-	(155,968)	(155,968)
<i>Total contributions by and distributions to owners of the Company</i>	-	(2,674)	(20)	5,789	(155,968)	(152,873)
At 30.09.2018	895,926	(10,148)	2,238	59,431	424,660	1,372,107
At 1.7.2019	895,926	(6,647)	(3,071)	56,841	394,253	1,337,302
Total comprehensive income for the period						
Loss after taxation for the period	-	-	-	-	(448)	(448)
Total comprehensive income for the period	-	-	-	-	(448)	(448)
Transactions with owners of the Company, recognised directly in equity						
Contributions by and distributions to owners of the Company						
Cost of share-based payment	-	-	-	6,303	-	6,303
Purchase of treasury shares	-	(10,334)	-	-	-	(10,334)
Treasury shares reissued pursuant to share plans	-	602	(153)	(258)	-	191
Dividends paid	-	-	-	-	(155,992)	(155,992)
<i>Total contributions by and distributions to owners of the Company</i>	-	(9,732)	(153)	6,045	(155,992)	(159,832)
At 30.09.2019	895,926	(16,379)	(3,224)	62,886	237,813	1,177,022

5(a) CHANGES IN COMPANY'S SHARE CAPITAL
Issued and paid up capital

As at 30 September 2019, the Company has an issued share capital of 3,122,495,197 ordinary shares (31 December 2018: 3,122,495,197 ordinary shares) of which 4,170,850 were held by the Company as treasury shares (31 December 2018: 2,701,198).

	Number of Shares
	3Q2019
As at beginning and end of the quarter (including treasury shares)	3,122,495,197
As at end of the quarter (excluding treasury shares)	3,118,324,347
As at 31 December 2018 (excluding treasury shares)	3,119,793,999

Singapore Technologies Engineering Performance Share Plan 2010 (PSP 2010)

As at 30 September 2019, the total number of outstanding awards was 4,911,123 (30 September 2018: 4,818,034) ordinary shares of the Company. Based on the achievement factor, the actual release of the awards could range from zero to a maximum of 8,348,909 (30 September 2018: 8,190,657) ordinary shares of the Company.

Singapore Technologies Engineering Restricted Share Plan 2010 (RSP 2010)

As at 30 September 2019, the total number of outstanding awards was 13,664,119 (30 September 2018: 12,937,099) ordinary shares of the Company.

Treasury Shares

During the quarter, the Company purchased 2,570,700 ordinary shares by way of open market acquisitions, all of which were held by the Company as treasury shares (3Q2018: 1,000,000).

During the quarter, 156,202 treasury shares were utilised pursuant to the RSP 2010 (3Q2018: 171,138).

As at 30 September 2019, the number of treasury shares held by the Company represented 0.13% (30 September 2018: 0.10%) of the total number of issued shares (excluding treasury shares).

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

<u>Group and Company</u>	Number of Treasury Shares for the Quarter ended 30.09.2019
As at beginning of the quarter	1,756,352
Purchase of treasury shares	2,570,700
Treasury shares transferred on vesting of RSP 2010	(156,202)
As at end of the quarter	4,170,850

6 **AUDIT**

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

7 **AUDITORS' REPORT**

Not applicable.

8 **ACCOUNTING POLICIES**

Except as disclosed in paragraph 9 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited financial statements as at 31 December 2018.

9 **CHANGES IN ACCOUNTING POLICIES**

The Group has adopted SFRS(I) 16, effective for the annual periods beginning on or after 1 January 2019.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessee. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group applied the modified retrospective approach with no restatement of comparative information and the practical expedient for recognition exemptions for short-term leases and leases of low-value items.

On 1 January 2019, the Group recognised right-of-use assets of \$432 million and lease liabilities of \$404 million. The right-of-use assets included an amount of \$28 million pertaining to reinstatement costs and prepaid leases.

The Group's activities as a lessor are not material.

10 REVIEW OF GROUP PERFORMANCE

10(a) Revenue

3Q2019 vs 3Q2018

\$m	3Q2019	3Q2018	Increase	
Aerospace	1,051	689	362	53%
Electronics	538	491	47	10%
Land Systems	307	297	10	3%
Marine	155	137	18	13%
Others	18	12	6	50%
Total	2,069	1,626	443	27%

The Group ended the quarter with revenue of \$2,069 million, an increase of 27% or \$443 million as compared to 3Q2018. All sectors contributed to the increase.

Aerospace sector's revenue increased to \$1,051 million in 3Q2019, an increase of 53% or \$362 million as compared to 3Q2018, contributed by all three business groups. The increase was largely due to new income stream from the acquisition of MRAS and revenue recognised from various end-of-programme reviews.

In 3Q2019, Electronics sector's revenue increased by 10% or \$47 million to \$538 million due mainly to higher revenue from **Large-Scale Systems Group** and **Software Systems Group**.

Land Systems sector's revenue of \$307 million in 3Q2019 increased by 3% or \$10 million as compared to 3Q2018, contributed by **Munitions & Weapon** and **Services, Trading and Others** business groups, partially offset by lower revenue from **Automotive** business group.

Revenue of Marine sector in 3Q2019 of \$155 million was 13% or \$18 million higher as compared to 3Q2018, contributed by all three business groups.

Higher revenue under "Others" was mainly attributable to Miltope.

10 REVIEW OF GROUP PERFORMANCE (cont'd)

10(b) Profitability
3Q2019 vs 3Q2018

\$m	3Q2019	3Q2018	Increase/(Decrease)	
Aerospace	65.0	55.4	9.6	17%
Electronics	51.5	55.5	(4.0)	(7%)
Land Systems	15.1	17.6	(2.5)	(14%)
Marine	3.4	12.8	(9.4)	(73%)
Others	4.1	(6.7)	10.8	NM
Total	139.1	134.6	4.5	3%

The Group's profit attributable to shareholders (Net Profit) for 3Q2019 of \$139.1 million was higher than that of 3Q2018 by 3% or \$4.5 million. The increase was contributed by Aerospace sector and "Others". Electronics, Land Systems and Marine sectors came in lower.

Aerospace sector 3Q2019 Net Profit of \$65.0 million was higher than 3Q2018 by 17% or \$9.6 million due mainly to new income stream contribution from MRAS, net favourable impact from end-of-programme reviews and recognition of tax credit, partially offset by absence of gain from portfolio rationalisation, timing differences in project revenue recognition, and impairment of assets.

In 3Q2019, Electronics sector's Net Profit decreased by 7% or \$4.0 million to \$51.5 million as compared to 3Q2018. The decrease was largely due to increased investments in new growth areas.

Net Profit for Land Systems sector of \$15.1 million was lower as compared to 3Q2018 by 14% or \$2.5 million due mainly to absence of prior year tax credit and higher operating expenses from continued investments in robotics capabilities.

Marine sector's Net Profit for 3Q2019 decreased by 73% or \$9.4 million to \$3.4 million due mainly to provision for amount payable to a customer under an arbitration outcome, partially offset by higher revenue from Engineering business group.

"Others" better performance in 3Q2019 was due mainly to improved performance from Miltope and lower expenses.

11 **VARIANCE FROM PROSPECTS STATEMENT**

No forecast was previously provided.

12 **PROSPECTS**

Group

Amidst the trade tensions and geopolitical uncertainties which continue to weigh on the global economy, the Group continues to pursue growth areas, build capabilities, and integrate MRAS, Newtec and Glowlink into the Group.

The Group's core business remains strong and the Group's robust order book of \$15.9 billion continues to provide revenue visibility for the next few years.

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.

13 **DIVIDENDS**

No interim dividend for the quarter ended 30 September 2019 is recommended.

14 BUSINESS SEGMENTAL INFORMATION
By Business Activity

	3Q2019						Group \$'000
	Aerospace \$'000	Electronics \$'000	Land Systems \$'000	Marine \$'000	Others \$'000	Elimination \$'000	
Revenue							
External sales	1,051,424	538,271	307,029	154,618	17,272	-	2,068,614
Inter-segment sales	1,175	7,638	6,114	9	512	(15,448)	-
	<u>1,052,599</u>	<u>545,909</u>	<u>313,143</u>	<u>154,627</u>	<u>17,784</u>	<u>(15,448)</u>	<u>2,068,614</u>
Reportable segment earnings before interest and tax	79,337	61,411	15,867	2,516	3,988	-	163,119
Other income	4,121	3,503	1,689	1,255	238	(3,585)	7,221
Other expenses	(1,932)	-	(231)	(3)	(4)	2,170	-
Finance income	4,342	1,808	1,350	1,010	19,399	(25,306)	2,603
Finance costs	(13,905)	(4,837)	(2,193)	(1,362)	(19,510)	28,692	(13,115)
Share of results of associates and joint ventures, net of tax	7,244	(825)	1,588	(283)	(706)	-	7,018
Profit before taxation	<u>79,207</u>	<u>61,060</u>	<u>18,070</u>	<u>3,133</u>	<u>3,405</u>	<u>1,971</u>	<u>166,846</u>
Taxation	(11,631)	(9,570)	(2,995)	243	(1,145)	-	(25,098)
Non-controlling interests	(2,583)	(5)	(19)	-	-	-	(2,607)
Profit attributable to shareholders	<u>64,993</u>	<u>51,485</u>	<u>15,056</u>	<u>3,376</u>	<u>2,260</u>	<u>1,971</u>	<u>139,141</u>
Other assets	4,437,872	2,575,912	1,670,116	877,648	5,612,867	(6,117,136)	9,057,279
Associates and joint ventures	259,531	60,811	89,201	3,371	42,656	-	455,570
Segment assets	<u>4,697,403</u>	<u>2,636,723</u>	<u>1,759,317</u>	<u>881,019</u>	<u>5,655,523</u>	<u>(6,117,136)</u>	<u>9,512,849</u>
Segment liabilities	<u>3,720,643</u>	<u>2,168,442</u>	<u>1,376,982</u>	<u>866,581</u>	<u>3,659,900</u>	<u>(4,663,078)</u>	<u>7,129,470</u>
Capital expenditure	86,403	30,046	12,898	2,592	2,878	(502)	134,315
Depreciation and amortisation	54,242	20,854	13,436	8,411	2,837	(813)	98,967
Impairment losses	22,936	-	-	-	-	-	22,936
Other non-cash expenses	505	20	1	-	-	-	526

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

	3Q2018						Group
	Aerospace	Electronics	Land Systems	Marine	Others	Elimination	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
External sales	688,627	491,061	296,661	137,426	12,435	-	1,626,210
Inter-segment sales	733	6,748	5,158	40	1,979	(14,658)	-
	<u>689,360</u>	<u>497,809</u>	<u>301,819</u>	<u>137,466</u>	<u>14,414</u>	<u>(14,658)</u>	<u>1,626,210</u>
Reportable segment earnings before interest and tax	58,699	65,603	15,115	13,905	(9,684)	-	143,638
Other income	7,629	3,135	3,416	1,105	206	(3,600)	11,891
Other expenses	(842)	(4)	(934)	(13)	(51)	1,844	-
Finance income	1,010	513	202	751	16,056	(10,852)	7,680
Finance costs	(576)	(2,415)	(1,516)	(1,075)	(12,196)	10,813	(6,965)
Share of results of associates and joint ventures, net of tax	7,495	(33)	1,750	253	112	-	9,577
Profit before taxation	73,415	66,799	18,033	14,926	(5,557)	(1,795)	165,821
Taxation	(11,053)	(11,128)	(233)	(2,170)	912	(151)	(23,823)
Non-controlling interests	(6,955)	(209)	(240)	-	-	-	(7,404)
Profit attributable to shareholders	<u>55,407</u>	<u>55,462</u>	<u>17,560</u>	<u>12,756</u>	<u>(4,645)</u>	<u>(1,946)</u>	<u>134,594</u>
Other assets	2,977,898	1,934,296	1,581,180	814,042	3,135,208	(3,606,969)	6,835,655
Associates and joint ventures	240,889	64,418	90,775	5,425	38,916	6,788	447,211
Segment assets	<u>3,218,787</u>	<u>1,998,714</u>	<u>1,671,955</u>	<u>819,467</u>	<u>3,174,124</u>	<u>(3,600,181)</u>	<u>7,282,866</u>
Segment liabilities	<u>2,311,378</u>	<u>1,716,222</u>	<u>1,289,974</u>	<u>721,055</u>	<u>972,543</u>	<u>(2,144,259)</u>	<u>4,866,913</u>
Capital expenditure	45,221	21,005	7,466	1,378	4,610	-	79,680
Depreciation and amortisation	32,063	14,930	9,428	7,353	1,587	(10)	65,351
Write-back of impairment losses	(8)	-	-	-	-	-	(8)
Other non-cash expenses	284	-	6	-	-	-	290

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

For Revenue and Net Profit of 3Q2019 vis-à-vis 3Q2018, please refer to paragraph 10.

	Profit Before Tax		
	3Q2019	3Q2018	+ / (-)
	\$'000	\$'000	%
Aerospace	79,207	73,415	7.9
Electronics	61,060	66,799	(8.6)
Land Systems	18,070	18,033	0.2
Marine	3,133	14,926	(79.0)
Others	<u>5,376</u>	<u>(7,352)</u>	<u>NM</u>
Group	<u>166,846</u>	<u>165,821</u>	<u>0.6</u>

	Revenue			Profit Before Tax		
	9M2019	9M2018	+ / (-)	9M2019	9M2018	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Aerospace	2,509,860	1,999,860	25.5	237,666	237,431	0.1
Electronics	1,595,948	1,607,636	(0.7)	167,569	173,179	(3.2)
Land Systems	980,051	847,379	15.7	60,308	59,683	1.0
Marine	443,002	435,382	1.8	34,611	34,259	1.0
Others	<u>51,095</u>	<u>33,643</u>	<u>51.9</u>	<u>(3,672)</u>	<u>(44,349)</u>	<u>NM</u>
Group	<u>5,579,956</u>	<u>4,923,900</u>	<u>13.3</u>	<u>496,482</u>	<u>460,203</u>	<u>7.9</u>

	Profit Attributable to Shareholders		
	9M2019	9M2018	+ / (-)
	\$'000	\$'000	%
Aerospace	191,947	181,151	6.0
Electronics	139,127	142,439	(2.3)
Land Systems	50,643	53,583	(5.5)
Marine	29,693	30,702	(3.3)
Others	<u>(2,987)</u>	<u>(38,088)</u>	<u>NM</u>
Group	<u>408,423</u>	<u>369,787</u>	<u>10.4</u>

14 BUSINESS SEGMENTAL INFORMATION (cont'd)
By Geographical Areas

	Revenue				Revenue			
	3Q2019		3Q2018		9M2019		9M2018	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Asia	1,155,192	55.9	986,727	60.7	3,084,821	55.3	3,071,147	62.4
U.S.	405,240	19.6	330,272	20.3	1,175,274	21.1	980,760	19.9
Europe	387,692	18.7	198,749	12.2	973,692	17.4	546,355	11.1
Others	120,490	5.8	110,462	6.8	346,169	6.2	325,638	6.6
Total	2,068,614	100	1,626,210	100	5,579,956	100	4,923,900	100

By Country of Incorporation

	Revenue				Revenue			
	3Q2019		3Q2018		9M2019		9M2018	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Asia	1,314,806	63.6	1,140,643	70.1	3,637,238	65.2	3,580,054	72.7
U.S.	587,332	28.4	317,216	19.5	1,445,887	25.9	880,661	17.9
Europe	147,987	7.1	149,530	9.2	435,208	7.8	406,087	8.2
Others	18,489	0.9	18,821	1.2	61,623	1.1	57,098	1.2
Total	2,068,614	100	1,626,210	100	5,579,956	100	4,923,900	100

	Non-Current Assets ⁺			
	9M2019		9M2018	
	\$'000	%	\$'000	%
Asia	1,884,072	41.8	1,593,549	49.2
U.S.	1,699,842	37.7	927,095	28.7
Europe	824,576	18.3	617,241	19.1
Others	98,779	2.2	97,735	3.0
Total	4,507,269	100	3,235,620	100

⁺ Non-current assets for the purpose of SFRS(I) 8 *Operating Segments* excludes derivative financial instruments, employee benefits and deferred tax assets.

15 INTERESTED PERSON TRANSACTIONS (unaudited)

	Aggregate value of all transactions conducted under a shareholders mandate pursuant to Rule 920 of the SGX Listing Manual	
	3Q2019	3Q2018
	\$'000	\$'000
Transactions for the Sale of Goods and Services		
SATS Ltd. and its Associates	1,328	1,606
SembCorp Industries Ltd and its Associates	-	4,549
Singapore Airlines Limited and its Associates	1,601	156
Temasek Holdings (Private) Limited and its Associates (non-listed)	18,710	12,745
	<u>21,639</u>	<u>19,056</u>
Transactions for the Purchase of Goods and Services		
Mapletree Industrial Trust	403	-
SATS Ltd. and its Associates	775	663
SembCorp Industries Ltd and its Associates	4,297	3,178
Singapore Telecommunications Limited and its Associates	1,556	1,346
StarHub Ltd and its Associates	205	-
Temasek Holdings (Private) Limited and its Associates (non-listed)	2,021	10,159
	<u>9,257</u>	<u>15,346</u>
Total Interested Person Transactions	<u>30,896</u>	<u>34,402</u>

16 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 third quarter ended 30 September 2019 to be false or misleading in any material respect.

17 **CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

BY ORDER OF THE BOARD

KAREN NG KWEE LIAN

Company Secretary

11 November 2019

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