

**UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2005**

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED PROFIT AND LOSS ACCOUNTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2005 (IN \$ MILLION)**

	The Group		The Group	
	3rd Quarter 2005-06	3rd Quarter 2004-05 (Restated)	9 Months 2005-06	9 Months 2004-05 (Restated)
<b>REVENUE</b>	<b>235.3</b>	<b>195.3</b>	<b>698.8</b>	<b>603.3</b>
<b>EXPENDITURE</b>				
Staff costs	93.0	96.0	272.6	271.9
Material costs	61.3	50.4	177.1	161.8
Depreciation	8.3	6.0	24.0	17.0
Company accommodation	10.0	9.1	29.0	27.2
Other operating expenses	40.1	22.6	114.1	54.1
	<u>212.7</u>	<u>184.1</u>	<u>616.8</u>	<u>532.0</u>
<b>OPERATING PROFIT</b>	<b>22.6</b>	<b>11.2</b>	<b>82.0</b>	<b>71.3</b>
Interest income	2.4	0.9	5.8	2.6
Surplus on sale of fixed assets	0.6	-	0.6	-
Dividend income from long-term investment	6.4	2.5	11.9	2.5
Share of profits of associated companies	23.8	16.6	66.3	46.8
Share of profits of joint venture companies	4.8	1.2	14.4	5.0
<b>PROFIT BEFORE EXCEPTIONAL ITEM</b>	<b>60.6</b>	<b>32.4</b>	<b>181.0</b>	<b>128.2</b>
<b>EXCEPTIONAL ITEM</b>				
Gain on sale of long-term investment	-	9.0	-	9.0
<b>PROFIT BEFORE TAXATION</b>	<b>60.6</b>	<b>41.4</b>	<b>181.0</b>	<b>137.2</b>
Taxation	(7.8)	(4.9)	(22.3)	(15.2)
<b>PROFIT FOR THE PERIOD</b>	<b>52.8</b>	<b>36.5</b>	<b>158.7</b>	<b>122.0</b>
Attributable to:				
<b>Shareholders of the Company</b>	53.2	36.4	158.8	121.8
Minority interest	(0.4)	0.1	(0.1)	0.2
	<u>52.8</u>	<u>36.5</u>	<u>158.7</u>	<u>122.0</u>

**Notes:**

**Profit for the period is arrived at after charging/(crediting) the following:**

	The Group		The Group	
	3rd Quarter 2005-06	3rd Quarter 2004-05	9 Months 2005-06	9 Months 2004-05
	\$M	\$M	\$M	\$M
Bad debts written off/ (recovered)	-	-	0.2	(0.2)
Provision for/(Write-back of) doubtful debts, net	-	0.7	4.8	(3.2)
Exchange loss/(gain) net	1.0	3.5	(1.8)	0.4

Note: The comparative profit and loss account for third quarter and 9 months ended 31 December 2004 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**BALANCE SHEETS AT 31 DECEMBER (IN \$ MILLION)**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec 2005</b>	<b>31 Mar 2005 (Restated)</b>	<b>31 Dec 2005</b>	<b>31 Mar 2005 (Restated)</b>
<b>SHARE CAPITAL</b>				
Issued and fully paid	102.9	101.8	102.9	101.8
<b>RESERVES</b>				
Distributable				
General reserve	813.7	741.0	659.2	615.1
Non-distributable				
Share premium	44.9	25.6	44.9	25.6
Share-based compensation reserve	10.1	5.6	10.1	5.6
Foreign currency translation reserve	(13.9)	(15.5)	-	-
	854.8	756.7	714.2	646.3
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS</b>	957.7	858.5	817.1	748.1
<b>MINORITY INTEREST</b>	11.8	2.3	-	-
<b>TOTAL EQUITY</b>	969.5	860.8	817.1	748.1
<b>DEFERRED TAXATION</b>	14.7	14.4	14.7	14.4
<b>LONG-TERM LIABILITIES</b>	2.0	-	-	-
	986.2	875.2	831.8	762.5
Represented by :				
<b>FIXED ASSETS</b>	251.7	246.3	241.0	242.5
<b>SUBSIDIARY COMPANIES</b>	-	-	13.8	3.8
<b>ASSOCIATED COMPANIES</b>	299.7	277.2	168.3	166.6
<b>JOINT VENTURE COMPANIES</b>	65.1	56.0	56.6	56.6
<b>LONG-TERM INVESTMENTS</b>	14.6	14.6	14.6	14.6
<b>CURRENT ASSETS</b>				
Trade and other debtors	43.9	41.0	36.9	39.4
Immediate holding company	74.7	76.4	74.0	76.3
Related parties	30.0	15.7	25.6	13.8
Stocks	7.9	6.9	7.0	6.0
Work-in-progress	46.3	40.4	46.2	40.0
Short-term deposits	367.0	288.9	356.3	288.9
Cash and bank balances	67.9	37.0	64.4	36.3
	637.7	506.3	610.4	500.7
Less:				
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	259.2	206.0	251.0	203.9
Finance lease commitments	0.2	-	-	-
Bank loans	0.8	0.8	-	-
Provision for taxation	22.4	18.4	21.9	18.4
	282.6	225.2	272.9	222.3
<b>NET CURRENT ASSETS</b>	355.1	281.1	337.5	278.4
	986.2	875.2	831.8	762.5

Note: The comparative balance sheets for 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

As at 31/12/2005		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
S\$0.2M	S\$0.8M	-	S\$0.8M

**Amount repayable after one year**

As at 31/12/2005		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
S\$2.0M	-	-	-

**Details of any collateral**

The secured borrowings pertains to a finance lease secured over factory premises.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THIRD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2005 (IN \$ MILLION)**

	The Group		The Group	
	3rd Qtr 2005-06	3rd Qtr 2004-05 (Restated)	9 Months 2005-06	9 Months 2004-05 (Restated)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>77.1</b>	<b>22.6</b>	<b>136.9</b>	<b>80.9</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure	(8.9)	(11.2)	(30.2)	(43.2)
Proceeds from disposal of fixed assets	3.7	-	3.7	0.1
Investments in associated companies	(1.7)	-	(1.7)	(0.8)
Repayment of loans by investee companies	-	-	-	2.3
Repayment of bank loans	-	-	-	(0.2)
Dividend received from an investee company	6.4	2.5	11.9	2.5
Dividends received from associated and joint venture Companies	44.2	9.5	46.7	13.1
Proceeds from sale of long-term investment	-	12.5	-	12.5
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>43.7</b>	<b>13.3</b>	<b>30.4</b>	<b>(13.7)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Capital contribution from minority shareholders of subsidiaries	-	-	9.5	-
Proceeds from exercise of share options	3.9	1.3	19.6	11.6
Dividends paid	(41.1)	(30.3)	(87.2)	(257.7)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(37.2)</b>	<b>(29.0)</b>	<b>(58.1)</b>	<b>(246.1)</b>
<b>NET CASH INFLOW /(OUTFLOW)</b>	<b>83.6</b>	<b>6.9</b>	<b>109.2</b>	<b>(178.9)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>352.2</b>	<b>288.3</b>	<b>325.9</b>	<b>472.4</b>
Effect of exchange rate changes	(0.9)	(2.3)	(0.2)	(0.6)
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>434.9</b>	<b>292.9</b>	<b>434.9</b>	<b>292.9</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Short-term deposits	367.0	234.2	367.0	234.2
Cash and bank balances	67.9	58.7	67.9	58.7
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>434.9</b>	<b>292.9</b>	<b>434.9</b>	<b>292.9</b>

Note: The comparative cash flow statement for third quarter and 9 months ended 31 December 2004 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

**CASH FLOW FROM OPERATING ACTIVITIES (IN \$ MILLION)**

	The Group		The Group	
	3rd Qtr 2005-06	3rd Qtr 2004-05 (Restated)	9 Months 2005-06	9 Months 2004-05 (Restated)
Profit before taxation	60.6	41.4	181.0	137.2
Adjustment for:				
Interest income	(2.4)	(0.9)	(5.8)	(2.6)
Share-based payment expense	2.0	1.5	5.3	3.2
Depreciation of fixed assets	8.3	6.0	24.0	17.0
Surplus on sale of fixed assets	(0.6)	-	(0.6)	-
Share of profits of associated and joint venture companies	(28.6)	(17.8)	(80.7)	(51.8)
Dividend income received from an investee company	(6.4)	(2.5)	(11.9)	(2.5)
Exchange differences	1.0	3.5	(1.8)	0.4
Gain on sale of long-term investment	-	(9.0)	-	(9.0)
<b>Operating profit before working capital changes</b>	<b>33.9</b>	<b>22.2</b>	<b>109.5</b>	<b>91.9</b>
Decrease /(increase) in debtors	4.2	(3.4)	(2.4)	(8.3)
(Increase) /decrease in stocks and work-in-progress	(1.7)	0.8	(7.0)	(12.7)
Increase in creditors	28.9	6.6	56.1	27.0
Decrease /(increase) in amounts owing from related companies	16.1	(1.3)	(11.6)	(12.2)
<b>Cash generated from operations</b>	<b>81.4</b>	<b>24.9</b>	<b>144.6</b>	<b>85.7</b>
Interest received from deposits	2.0	0.9	4.9	2.6
Income taxes paid	(6.3)	(3.2)	(12.6)	(7.4)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>77.1</b>	<b>22.6</b>	<b>136.9</b>	<b>80.9</b>

Note: The comparative cash flow statement for third quarter and 9 months ended 31 December 2004 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2005 (IN \$ MILLION)**

The Group	Attributable to Shareholders of the Company						Minority interest	Total equity
	Share capital	Share premium	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 1 October 2005	102.7	41.2	8.1	(7.9)	801.6	945.7	12.1	957.8
Currency translation differences not recognised in the profit and loss account	-	-	-	(6.0)	-	(6.0)	0.1	(5.9)
Profit for the period October – December 2005	-	-	-	-	53.2	53.2	(0.4)	52.8
Net income recognised for the period October – December 2005	-	-	-	(6.0)	53.2	47.2	(0.3)	46.9
Share-based payment	-	-	2.0	-	-	2.0	-	2.0
Share options exercised	0.2	3.7	-	-	-	3.9	-	3.9
Dividends	-	-	-	-	(41.1)	(41.1)	-	(41.1)
Balance at 31 December 2005	102.9	44.9	10.1	(13.9)	813.7	957.7	11.8	969.5
Balance at 1 October 2004 as restated	101.1	16.1	2.6	(8.8)	686.4	797.4	2.3	799.7
Currency translation differences not recognised in the profit and loss account	-	-	-	(9.8)	-	(9.8)	-	(9.8)
Profit for the period October – December 2004	-	-	-	-	36.4	36.4	0.1	36.5
Net income recognised for the period October – December 2004	-	-	-	(9.8)	36.4	26.6	0.1	26.7
Share-based payment	-	-	1.5	-	-	1.5	-	1.5
Share options exercised	0.1	1.2	-	-	-	1.3	-	1.3
Dividends	-	-	-	-	(30.3)	(30.3)	-	(30.3)
Balance at 31 December 2004	101.2	17.3	4.1	(18.6)	692.5	796.5	2.4	798.9

**STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2005 (IN \$ MILLION)**

<b>The Company</b>	Share capital	Share premium	Share-based compensation reserve	General reserve	Total
Balance at 1 October 2005	102.7	41.2	8.1	629.1	781.1
Profit for the period October – December 2005	-	-	-	71.2	71.2
Share-based payment	-	-	2.0	-	2.0
Share options exercised	0.2	3.7	-	-	3.9
Dividends	-	-	-	(41.1)	(41.1)
Balance at 31 December 2005	102.9	44.9	10.1	659.2	817.1
Balance at 1 October 2004, as restated	101.1	16.1	2.6	573.6	693.4
Profit for the period October – December 2004	-	-	-	28.0	28.0
Share-based payment	-	-	1.5	-	1.5
Share options exercised	0.1	1.2	-	-	1.3
Dividends	-	-	-	(30.3)	(30.3)
Balance at 31 December 2004	101.2	17.3	4.1	571.3	693.9

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

#### **SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY**

- (i) The issued and paid-up capital of the Company increased from \$102,641,680 as at 30 September 2005 to \$102,860,993 as at 31 December 2005. The increase is due to new shares allotted and issued pursuant to the exercise of share options granted under the SIA Engineering Company Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.
- (ii) The movement of share options of the Company during the third quarter from 1 October to 31 December 2005 is as follows:

No	Date of grant	Balance at 01.10.2005 /date of grant	Cancelled	Exercised	Balance at 31.12.2005	Exercise Price*	Exercisable period
1.	28.03.2000	8,519,000	(11,600)	(477,900)	8,029,500	\$1.85	28.03.2001-27.03.2010
2.	03.07.2000	7,009,750	(3,600)	(405,500)	6,600,650	\$1.75	03.07.2001-02.07.2010
3.	02.07.2001	3,952,000	-	(222,300)	3,729,700	\$1.21	02.07.2002-01.07.2011
4.	01.07.2002	14,335,000	(4,500)	(552,200)	13,778,300	\$2.18	01.07.2003-30.06.2012
5.	01.07.2003	5,649,100	(6,850)	(535,225)	5,107,025	\$1.55	01.07.2004-30.06.2013
6.	01.07.2004	15,116,750	(23,300)	-	15,093,450	\$1.89	01.07.2005-30.06.2014
7.	01.07.2005	16,302,900	(35,600)	-	16,267,300	\$2.45	01.07.2006-30.06.2015
	<b>Total</b>	<b>70,884,500</b>	<b>(85,450)</b>	<b>(2,193,125)</b>	<b>68,605,925</b>		

\* At the extraordinary general meeting of the Company held on 26 July 2004, the Company's shareholders approved an amendment to the Plan allowing for adjustment to the exercise prices of the existing options by the Committee administering the Plan, in the event of the declaration of a special dividend. At the same meeting, the Company's shareholders approved the declaration of a special dividend. The said Committee then approved a S\$0.20 reduction of the exercise prices of the outstanding share options (i.e. first to sixth grants). The exercise prices reflected here are the exercise prices after such adjustment.

- (iii) As at 31 December 2004, the number of share options of the Company outstanding was 68,956,200.

**2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

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

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

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to the audited financial statements as at 31 March 2005 except for the adoption of all the new and revised Financial Reporting Standards (FRS) that became effective for the Group for the financial year beginning 1 April 2005.

The adoption of these new and revised FRSs did not have any significant financial impact to the Group except as discussed below:

FRS 39: Financial Instruments: Recognition and Measurement

FRS 39 sets out the new requirement for the recognition, derecognition and measurement of the Group's financial instruments. The adoption of FRS 39 has resulted in the Group recognising available-for-sale investments at cost, loans and receivables and financial liabilities at amortised cost, which in the case of the Group, based on the nature of the underlying financial instruments, equate materially to cost. There are no material adjustments arising from the adoption of FRS 39.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for FY2004-05 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 April 2005.

	Increase by \$ million
General reserve	1.1
Trade debtors	1.4
Deferred taxation	0.3

FRS 102: Share-based Payment

FRS 102 requires the Group to recognise an expense in the profit and loss account with a corresponding increase in equity for share options granted after 22 November 2002 and not vested by 1 April 2005. The total amount to be recognised as an expense in the profit and loss account is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the profit and loss account and a corresponding adjustment to equity over the remaining vesting period.

The application of FRS 102 is retrospective and accordingly, the comparative financial statements are restated and the financial impact on the Group is as follows:

	Increased/(Decreased) by \$ million
Profit for the period April-December 2004	(3.2)
Profit for the period April- December 2005	(5.3)
General Reserve as at 31 March 2004	(0.9)
General Reserve as at 31 March 2005	(5.6)
Share-based Compensation Reserve as at 31 March 2004	0.9
Share-based Compensation Reserve as at 31 March 2005	5.6

	Decreased by Cents
Basic Earnings Per Share for the period April-December 2004	(0.32)
Basic Earnings Per Share for the period April- December 2005	(0.52)
Diluted Earnings Per Share for the period April- December 2004	(0.29)
Diluted Earnings Per Share for the period April- December 2005	(0.50)

**FRS 103: Business Combinations; FRS 36: Impairment of Assets; and FRS 38: Intangible Assets**

The new accounting standard FRS 103: Business Combinations has resulted in consequential amendments to two other accounting standards, FRS 36: Impairment of Assets and FRS 38: Intangible Assets.

Under FRS 103, goodwill acquired in a business combination is no longer subjected to amortisation to the profit and loss account. Instead, it is subjected to impairment review annually or whenever there is an indication that the goodwill is impaired as required by the revised FRS 36. Any impairment loss is charged to the profit and loss account and subsequent reversal is not allowed.

The Group adopted FRS 103 with effect from 1 April 2005.

Previously, goodwill was amortised using the straight-line method over a period not exceeding twenty years. No goodwill amortisation was recorded for the nine months ended 31 December 2005 (nine months ended 31 December 2004: \$0.3 million).

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to paragraph 4.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	3rd Qtr 2005-06	3rd Qtr 2004-05 (Restated)	9 Months 2005-06	9 Months 2004-05 (Restated)
Earnings per share (cents)				
- Basic *	5.17	3.60	15.49	12.06
- Diluted #	5.10	3.57	15.31	11.98

\* Based on the weighted average number of ordinary shares in issue.

# Based on the weighted average number of ordinary shares in issue, after adjusting for the effects of dilutive options.

- 7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	As at 31 Dec 05	As at 31 Mar 05 (Restated)	As at 31 Dec 05	As at 31 Mar 05 (Restated)
Net asset value per share (cents)	93.1	84.4	79.4	73.5

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### Third Quarter FY2005-06

The Group posted a net profit of \$53.2 million in the third quarter of FY 2005-06. Joint venture and associated companies operating in Singapore and 5 other countries continued to perform well, contributing a substantial 47.2% to the quarter's pre-tax profits. The Company also benefited from the operation of two new hangars commissioned in 2005.

Q3 FY 2005-06 operating profit of \$22.6 million and net profit of \$53.2 million were 101.8% and 46.2% respectively better than in Q3 FY 2004-05.

Revenue grew by 20.5% or \$40.0 million to \$235.3 million during the quarter due mainly to higher airframe and component overhaul workload, more flights handled by line maintenance and growth in fleet technical management work. Airframe and component overhaul, line maintenance and fleet management work contributed 61%, 33% and 6% respectively to the Group's revenue.

Expenditure increased at a lower rate of 15.5% to \$212.7 million. In line with the higher workload, subcontract, material and overtime costs were higher as compared to Q3 last year.

Share of profits from joint venture and associated companies surged 60.7% (+\$10.8 million) to \$28.6 million. As at 31 December 2005, there were 19 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, Hong Kong, Taiwan, Indonesia and Philippines, covering a comprehensive range of high-technology aero-services.

Profit before taxation amounted to \$60.6 million, an increase of 46.4% over the same period last year. Provision for taxation was higher mainly due to changes in the Company's tax incentive schemes. The Company pays tax at the prevailing corporate tax rate on a defined tax base and at a concessionary tax rate of 10% on profits in excess of the tax base. With effect from 1 June 2005, the defined tax base became significantly higher.

For the third quarter FY2005-06, the Group's net profit attributable to shareholders was \$53.2 million, an increase of \$16.8 million or 46.2% compared to the corresponding period last year. Basic earnings per share increased by 43.6% to 5.17 cents.

The Council on Corporate Disclosure and Governance (CCDG) in Singapore adopted several new and revised Financial Reporting Standards (FRS), which are applicable for financial year 2005-06. For the Group, the main changes are in the recognition and fair value measurement of financial instruments (FRS 39) and the expensing of share options to employees (FRS 102). The adoption of FRS 39 has no impact on operating profit for Q3 FY2005-06 while FRS 102 resulted in a net negative impact of \$2.0 million on operating profit for the quarter.

#### Year-to-date (April – December 2005)

For the 9 months ended 31 December 2005, revenue rose by \$95.5 million (+15.8%) to \$698.8 million mainly due to higher workload. Expenditure increased by \$84.8 million (+15.9%) to \$616.8 million mainly due to higher subcontract, material and overtime costs to support higher workload. There was also a provision for doubtful debts of \$5.0 million compared to a write-back of \$3.4 million in the corresponding period last year.

Operating profit increased 15.0% or \$10.7 million to \$82.0 million.

Increases in share of profits from associated and joint venture companies (+\$28.9 million or +55.8% to \$80.7 million) and dividend income from an investee company (+\$9.4 million to \$11.9 million) also contributed to a 31.9% increase in profit before taxation to \$181.0 million.

Profit attributable to shareholders was \$158.8 million, an increase of \$37.0 million or +30.4% over the same period last year. Basic earnings per share increased by 28.4% to 15.49 cents.

#### **GROUP FINANCIAL POSITION**

As at 31 December 2005, equity attributable to shareholders amounted to \$957.7 million, 11.6% or \$99.2 million higher than at 31 March 2005.

Total assets increased by 15.3% (+\$168.4 million) to \$1,268.8 million. Net asset value per share was 93.1 cents, an increase of 8.7 cents (+10.3%) from 31 March 2005.

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

Not applicable.

#### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

With the strengthening of Changi Airport as an aerospace hub, the Company's joint ventures will continue to benefit as they provide a full and comprehensive range of services for the aerospace industry.

While the Company's core business will face competitive pressure on rates, this will be moderated by revenue increases from growth in business volume.

The Company will maintain its focus on quality and total maintenance solutions, planned increases in capabilities, capacity and strategic alliances to strengthen its position as a premier one-stop maintenance, repair and overhaul (MRO) service provider in the Asia-Pacific region.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend recommended for the current financial period reported on? No

***(b) Corresponding Period of the Immediately Preceding Financial Year***

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

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared/ recommended for the quarter ended 31 December 2005.

### 13. Additional Information

#### Interested Persons Transactions

(In thousands of S\$)

3Q FY2005/06

Name of interested person	Aggregate value of all IPTs during the quarter under review (excluding transactions less than \$100,000 and transactions pursuant to the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual))	Aggregate value of all IPTs under the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual) during the quarter under review (excluding transactions less than \$100,000)
Singapore Airlines Ltd	–	210
<b>Total</b>	<b>–</b>	<b>210</b>

#### BY ORDER OF THE BOARD

Devika Rani Davar  
Company Secretary  
2 February 2006

Singapore Co. Regn. No.: 198201025C