

**UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR
ENDED 30 SEPTEMBER 2009**

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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009 (IN \$ MILLION)**

| | The Group | | The Group | |
|---|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| | 2 nd Quarter 2009-10 | 2 nd Quarter 2008-09 | 1 st Half 2009-10 | 1 st Half 2008-09 |
| REVENUE | 248.1 | 279.3 | 492.3 | 529.5 |
| EXPENDITURE | | | | |
| Staff costs | 100.2 | 109.9 | 202.5 | 226.3 |
| Material costs | 54.9 | 61.4 | 108.3 | 111.0 |
| Depreciation | 8.4 | 9.0 | 17.0 | 18.1 |
| Amortisation of intangibles | 1.4 | 1.5 | 2.9 | 2.9 |
| Company accommodation | 11.1 | 11.8 | 21.8 | 23.0 |
| Subcontract costs | 19.6 | 30.8 | 48.6 | 56.6 |
| Other operating expenses | 17.4 | 14.8 | 43.8 | 35.1 |
| | 213.0 | 239.2 | 444.9 | 473.0 |
| OPERATING PROFIT | 35.1 | 40.1 | 47.4 | 56.5 |
| Interest income | 0.2 | 0.9 | 0.5 | 2.8 |
| Interest on external borrowings | * | * | * | * |
| Surplus/ (loss) on disposal of fixed assets | 0.1 | * | * | * |
| Dividend received from long-term investment | 3.9 | 3.5 | 7.8 | 7.2 |
| Share of profits of joint venture companies | 12.6 | 14.5 | 29.0 | 29.8 |
| Share of profits of associated companies | 19.4 | 25.2 | 38.6 | 53.5 |
| PROFIT BEFORE TAXATION | 71.3 | 84.2 | 123.3 | 149.8 |
| TAXATION | (9.7) | (10.4) | (16.3) | (16.8) |
| PROFIT FOR THE PERIOD | 61.6 | 73.8 | 107.0 | 133.0 |
| PROFIT ATTRIBUTABLE TO: | | | | |
| EQUITY HOLDERS OF THE COMPANY | 61.1 | 73.4 | 106.2 | 132.1 |
| Minority interests | 0.5 | 0.4 | 0.8 | 0.9 |
| | 61.6 | 73.8 | 107.0 | 133.0 |
| Basic earnings per share (cents) | 5.66 | 6.80 | 9.84 | 12.27 |
| Diluted earnings per share (cents) | 5.63 | 6.76 | 9.80 | 12.17 |

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

| | The Group | | The Group | |
|--|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| | 2 nd Quarter 2009-10 | 2 nd Quarter 2008-09 | 1 st Half 2009-10 | 1 st Half 2008-09 |
| | S\$M | S\$M | S\$M | S\$M |
| Provision/ (Write-back) for impairment of trade debtors, net | 0.7 | (1.1) | 1.2 | 2.3 |
| Exchange loss/ (gain) | 0.5 | (4.2) | 6.6 | (4.1) |
| Adjustment for under provision of tax in respect of prior year | * | - | 1.1 | * |
| Provision for obsolete stocks, net | 1.1 | 0.2 | 1.1 | 0.2 |

* Amount less than \$0.1M

1(a)(i) Consolidated Statement of Comprehensive Income

With effect from 1 January 2009, revised FRS1 Presentation of Financial Statements requires an entity to present all non-owner changes in equity in a Consolidated Statement of Comprehensive Income. This is only a change in the presentation and does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009 (IN \$ MILLION)

| | The Group | | The Company | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 2 nd Quarter 2009-10 | 2 nd Quarter 2008-09 | 2 nd Quarter 2009-10 | 2 nd Quarter 2008-09 |
| PROFIT FOR THE PERIOD | 61.6 | 73.8 | 49.7 | 45.4 |
| OTHER COMPREHENSIVE INCOME/ (EXPENSE) | | | | |
| Foreign currency translation | (6.0) | 24.0 | - | - |
| Net fair value adjustment on cash flow hedges | 0.5 | (3.9) | 0.5 | (3.9) |
| Total other comprehensive (expense)/ income, net of tax | (5.5) | 20.1 | 0.5 | (3.9) |
| TOTAL COMPREHENSIVE INCOME | 56.1 | 93.9 | 50.2 | 41.5 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| EQUITY HOLDERS OF THE COMPANY | 56.0 | 93.5 | 50.2 | 41.5 |
| Minority interests | 0.1 | 0.4 | - | - |
| | 56.1 | 93.9 | 50.2 | 41.5 |

| | The Group | | The Company | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 1 st Half 2009-10 | 1 st Half 2008-09 | 1 st Half 2009-10 | 1 st Half 2008-09 |
| PROFIT FOR THE PERIOD | 107.0 | 133.0 | 85.1 | 69.3 |
| OTHER COMPREHENSIVE INCOME/ (EXPENSE) | | | | |
| Foreign currency translation | (42.3) | 15.9 | - | - |
| Net fair value adjustment on cash flow hedges | 3.0 | (3.7) | 3.0 | (3.7) |
| Total other comprehensive (expense)/ income, net of tax | (39.3) | 12.2 | 3.0 | (3.7) |
| TOTAL COMPREHENSIVE INCOME | 67.7 | 145.2 | 88.1 | 65.6 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| EQUITY HOLDERS OF THE COMPANY | 68.3 | 144.5 | 88.1 | 65.6 |
| Minority interests | (0.6) | 0.7 | - | - |
| | 67.7 | 145.2 | 88.1 | 65.6 |

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 30 SEPTEMBER 2009 (IN \$ MILLION)

| | The Group | | The Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 30 Sep 2009 | 31 Mar 2009 | 30 Sep 2009 | 31 Mar 2009 |
| SHARE CAPITAL | 258.5 | 255.6 | 258.5 | 255.6 |
| RESERVES | | | | |
| General reserve | 959.8 | 971.9 | 593.5 | 626.6 |
| Share-based compensation reserve | 43.0 | 39.6 | 43.0 | 39.6 |
| Foreign currency translation reserve | (77.3) | (36.4) | - | - |
| Fair value reserve | 1.2 | (1.8) | 1.2 | (1.8) |
| | <u>926.7</u> | <u>973.3</u> | <u>637.7</u> | <u>664.4</u> |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY | 1,185.2 | 1,228.9 | 896.2 | 920.0 |
| MINORITY INTERESTS | 26.4 | 26.5 | - | - |
| TOTAL EQUITY | <u>1,211.6</u> | <u>1,255.4</u> | <u>896.2</u> | <u>920.0</u> |
| DEFERRED TAXATION | 26.4 | 24.9 | 21.9 | 20.6 |
| LONG-TERM LIABILITY | | | | |
| Finance lease commitments | | | | |
| - repayable after one year | * | * | - | - |
| | <u>1,238.0</u> | <u>1,280.3</u> | <u>918.1</u> | <u>940.6</u> |
| Represented by : | | | | |
| FIXED ASSETS | 318.9 | 313.2 | 285.0 | 287.7 |
| INTANGIBLES | 5.5 | 6.7 | 3.2 | 4.8 |
| SUBSIDIARY COMPANIES | - | - | 39.9 | 37.7 |
| ASSOCIATED COMPANIES | 386.7 | 403.7 | 164.7 | 164.7 |
| JOINT VENTURE COMPANIES | 126.3 | 126.7 | 56.6 | 56.6 |
| LONG-TERM INVESTMENTS | 14.6 | 14.6 | 14.6 | 14.6 |
| LOAN TO SUBSIDIARY COMPANY | - | - | 1.3 | 1.1 |
| CURRENT ASSETS | | | | |
| Trade and other debtors | 84.3 | 82.1 | 66.5 | 64.9 |
| Immediate holding company | 88.8 | 77.9 | 85.5 | 76.1 |
| Related parties | 21.0 | 20.6 | 15.2 | 12.6 |
| Stocks | 48.7 | 35.7 | 40.5 | 28.8 |
| Work-in-progress | 49.8 | 48.5 | 48.1 | 46.6 |
| Short-term deposits | 259.8 | 324.0 | 258.3 | 322.5 |
| Cash and bank balances | 42.4 | 48.5 | 31.8 | 25.0 |
| | <u>594.8</u> | <u>637.3</u> | <u>545.9</u> | <u>576.5</u> |
| Less: | | | | |
| CURRENT LIABILITIES | | | | |
| Trade and other creditors | 188.7 | 202.1 | 173.8 | 185.0 |
| Finance lease commitments | | | | |
| - repayable within one year | * | 0.1 | - | - |
| Bank loans | - | 0.8 | - | - |
| Current tax payable | 20.1 | 18.9 | 19.3 | 18.1 |
| | <u>208.8</u> | <u>221.9</u> | <u>193.1</u> | <u>203.1</u> |
| NET CURRENT ASSETS | 386.0 | 415.4 | 352.8 | 373.4 |
| | <u>1,238.0</u> | <u>1,280.3</u> | <u>918.1</u> | <u>940.6</u> |

* Amount less than \$0.1M

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

Amount repayable in one year or less, or on demand

| As at 30/09/2009 | | As at 31/03/2009 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| * | - | \$0.1M | \$0.8M |

Amount repayable after one year

| As at 30/09/2009 | | As at 31/03/2009 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| * | - | * | - |

* Amount less than \$0.1M

Details of any collateral

The secured borrowings as at 30 Sep 2009 and 31 Mar 2009 pertains to finance leases of equipment and vehicles.

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 SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009 (IN \$ MILLION)**

| | The Group | | The Group | |
|---|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| | 2 nd Quarter 2009-10 | 2 nd Quarter 2008-09 | 1 st Half 2009-10 | 1 st Half 2008-09 |
| NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES | (20.4) | (28.6) | 24.4 | 5.4 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Capital expenditure | (10.1) | (11.7) | (22.8) | (31.4) |
| Purchase of intangible assets | (0.8) | (0.2) | (1.7) | (0.4) |
| Dividends received from associated and joint venture companies | 17.0 | 7.7 | 40.0 | 14.6 |
| Dividend received from long-term investment | 3.9 | 3.5 | 7.8 | 7.2 |
| Proceeds from disposal of fixed assets | 0.1 | * | 0.1 | * |
| Interest received from deposits | 0.5 | 3.4 | 0.8 | 4.2 |
| NET CASH PROVIDED BY/ (USED IN) INVESTING ACTIVITIES | 10.6 | 2.7 | 24.2 | (5.8) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from exercise of share options | 0.8 | 5.8 | 1.7 | 7.8 |
| Proceeds from issuance of share capital by subsidiary company to minority shareholders | - | 8.3 | 1.0 | 8.3 |
| Net repayment of borrowings | (0.3) | (1.1) | (0.8) | - |
| Interest paid | * | * | * | * |
| Repayment of finance lease obligations | * | * | * | * |
| Dividends paid | (118.7) | (172.4) | (118.7) | (172.4) |
| Dividends paid by subsidiary company to minority interests | (0.4) | (0.3) | (0.5) | (0.3) |
| NET CASH USED IN FINANCING ACTIVITIES | (118.6) | (159.7) | (117.3) | (156.6) |
| NET CASH OUTFLOW | (128.4) | (185.6) | (68.7) | (157.0) |
| CASH AND CASH EQUIVALENTS AT BEGINNING PERIOD | 431.2 | 465.6 | 372.5 | 437.3 |
| Effect of exchange rate changes | (0.6) | 0.5 | (1.6) | 0.2 |
| CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER | 302.2 | 280.5 | 302.2 | 280.5 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | | | | |
| Short-term deposits | 259.8 | 224.7 | 259.8 | 224.7 |
| Cash and bank balances | 42.4 | 55.8 | 42.4 | 55.8 |
| CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER | 302.2 | 280.5 | 302.2 | 280.5 |

* Amount less than \$0.1M

CASH FLOW FROM OPERATING ACTIVITIES (IN \$ MILLION)

| | The Group | | The Group | |
|---|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| | 2 nd Quarter 2009-10 | 2 nd Quarter 2008-09 | 1 st Half 2009-10 | 1 st Half 2008-09 |
| Profit before taxation | 71.3 | 84.2 | 123.3 | 149.8 |
| Adjustments for: | | | | |
| Depreciation of fixed assets | 8.4 | 9.0 | 17.0 | 18.1 |
| Amortisation of intangibles | 1.4 | 1.5 | 2.9 | 2.9 |
| Share-based payment expense | 1.6 | 3.1 | 5.0 | 7.5 |
| (Surplus)/ Loss on disposal of fixed assets | (0.1) | * | * | * |
| Interest income | (0.2) | (0.9) | (0.5) | (2.8) |
| Interest on external borrowings | * | * | * | * |
| Share of profits of associated and joint venture companies | (32.0) | (39.7) | (67.6) | (83.3) |
| Exchange differences | 0.5 | (4.2) | 6.6 | (4.1) |
| Dividend received from long-term investment | (3.9) | (3.5) | (7.8) | (7.2) |
| Operating profit before working capital changes | 47.0 | 49.5 | 78.9 | 80.9 |
| Increase in debtors | (12.9) | (0.6) | (4.9) | (5.2) |
| Decrease/ (Increase) in stocks / work-in-progress | 5.3 | (17.0) | (14.4) | (27.1) |
| Decrease in creditors | (36.5) | (39.8) | (16.3) | (12.6) |
| Increase in amounts owing from related companies | (19.0) | (9.9) | (11.6) | (19.8) |
| Cash (used in)/ generated from operations | (16.1) | (17.8) | 31.7 | 16.2 |
| Income taxes paid | (4.3) | (10.8) | (7.3) | (10.8) |
| NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES | (20.4) | (28.6) | 24.4 | 5.4 |

* Amount less than \$0.1M

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.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009 (IN \$ MILLION)**

| The Group | Attributable to Equity Holders of the Company | | | | | | Minority interests | Total equity |
|---|---|--------------------|----------------------------------|--------------------------------------|-----------------|---------|--------------------|--------------|
| | Share capital | Fair value reserve | Share-based compensation reserve | Foreign currency translation reserve | General reserve | Total | | |
| Balance at 1 July 2009 | 256.6 | 0.7 | 42.9 | (71.7) | 1,017.0 | 1,245.5 | 26.7 | 1,272.2 |
| Total comprehensive income/ (expenses) for the period July – September 2009 | - | 0.5 | - | (5.6) | 61.1 | 56.0 | 0.1 | 56.1 |
| Share-based payment | - | - | 1.6 | - | - | 1.6 | - | 1.6 |
| Share options exercised | 1.0 | - | (0.2) | - | - | 0.8 | - | 0.8 |
| Share options lapsed | - | - | (0.4) | - | 0.4 | - | - | - |
| RSP & PSP awards | 0.9 | - | (0.9) | - | - | - | - | - |
| Dividends | - | - | - | - | (118.7) | (118.7) | (0.4) | (119.1) |
| Balance at 30 September 2009 | 258.5 | 1.2 | 43.0 | (77.3) | 959.8 | 1,185.2 | 26.4 | 1,211.6 |
| Balance at 1 July 2008 | 247.8 | 2.9 | 32.1 | (96.3) | 996.2 | 1,182.7 | 15.1 | 1,197.8 |
| Total comprehensive income/ (expenses) for the period July – September 2008 | - | (3.9) | - | 24.0 | 73.4 | 93.5 | 0.4 | 93.9 |
| Capital Contribution | - | - | - | - | - | - | 8.3 | 8.3 |
| Share-based payment | - | - | 3.1 | - | - | 3.1 | - | 3.1 |
| Share options exercised | 7.5 | - | (1.7) | - | - | 5.8 | - | 5.8 |
| Share options lapsed | - | - | * | - | * | - | - | - |
| Dividends | - | - | - | - | (172.4) | (172.4) | (0.3) | (172.7) |
| Balance at 30 September 2008 | 255.3 | (1.0) | 33.5 | (72.3) | 897.2 | 1,112.7 | 23.5 | 1,136.2 |

* Amount less than \$0.1M

**STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2009 (IN \$ MILLION)**

| The Company | Share capital | Fair value reserve | Share-based compensation reserve | General reserve | Total |
|---|---------------|--------------------|----------------------------------|-----------------|---------|
| Balance at 1 July 2009 | 256.6 | 0.7 | 42.9 | 662.1 | 962.3 |
| Total comprehensive income for the period July – September 2009 | - | 0.5 | - | 49.7 | 50.2 |
| Share-based payment | - | - | 1.6 | - | 1.6 |
| Share options exercised | 1.0 | - | (0.2) | - | 0.8 |
| Share options lapsed | - | - | (0.4) | 0.4 | - |
| RSP & PSP awards | 0.9 | - | (0.9) | - | - |
| Dividends | - | - | - | (118.7) | (118.7) |
| Balance at 30 September 2009 | 258.5 | 1.2 | 43.0 | 593.5 | 896.2 |
| Balance at 1 July 2008 | 247.8 | 2.9 | 32.1 | 659.3 | 942.1 |
| Total comprehensive income/ (expenses) for the period July – September 2008 | - | (3.9) | - | 45.4 | 41.5 |
| Share-based payment | - | - | 3.1 | - | 3.1 |
| Share options exercised | 7.5 | - | (1.7) | - | 5.8 |
| Share options lapsed | - | - | * | * | - |
| Dividends | - | - | - | (172.4) | (172.4) |
| Balance at 30 September 2008 | 255.3 | (1.0) | 33.5 | 532.3 | 820.1 |

* Amount less than \$0.1M

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 SHARE PLANS IN THE COMPANY

(A) Share Capital

- (i) The number of ordinary shares in issue, excluding treasury shares, as at the end of the current financial period and as at the end of immediately preceding year, was as follows:

| As at 30 September 2009 | As at 31 March 2009 |
|-------------------------|---------------------|
| 1,079,205,272 | 1,078,016,583 |

- (ii) A statement showing all sales, transfer, transfer, disposal, cancellation and/or use of treasury shares as at the end of current financial period reported on.

Not applicable

(B) Employee Share Option Plan

- (i) During the period from 1 July to 30 September 2009, 439,800 shares were exercised 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 second quarter from 1 July to 30 September 2009 is as follows:

| No. | Date of grant | Balance at 01.07.2009 / date of grant | Cancelled | Exercised | Balance at 30.09.2009 | Exercise Price* | Exercisable period |
|-----|---------------|---------------------------------------|-----------|-----------|-----------------------|-----------------|-----------------------|
| 1. | 28.03.2000 | 1,062,200 | (44,000) | (55,600) | 962,600 | \$1.65 | 28.03.2001-27.03.2010 |
| 2. | 03.07.2000 | 1,104,563 | (29,600) | (52,400) | 1,022,563 | \$1.55 | 03.07.2001-02.07.2010 |
| 3. | 02.07.2001 | 457,600 | (25,200) | (16,800) | 415,600 | \$1.01 | 02.07.2002-01.07.2011 |
| 4. | 01.07.2002 | 3,561,400 | (57,200) | (47,600) | 3,456,600 | \$1.98 | 01.07.2003-30.06.2012 |
| 5. | 01.07.2003 | 918,025 | (25,400) | (31,800) | 860,825 | \$1.35 | 01.07.2004-30.06.2013 |
| 6. | 01.07.2004 | 3,704,475 | (62,400) | (67,600) | 3,574,475 | \$1.69 | 01.07.2005-30.06.2014 |
| 7. | 01.07.2005 | 7,592,725 | (80,800) | (163,600) | 7,348,325 | \$2.25 | 01.07.2006-30.06.2015 |
| 8. | 03.07.2006 | 13,695,650 | (158,400) | (4,400) | 13,532,850 | \$3.44 | 03.07.2007-02.07.2016 |
| 9. | 02.07.2007 | 15,089,350 | (170,000) | - | 14,919,350 | \$4.67 | 02.07.2008-01.07.2017 |
| 10. | 01.07.2008 | 13,517,600 | (163,600) | - | 13,354,000 | \$3.74 | 01.07.2010-30.06.2018 |
| | Total | 60,703,588 | (816,600) | (439,800) | 59,447,188 | | |

* At the extraordinary general meeting of the Company held on 26 July 2004, the Company's shareholders approved an amendment to the Plan to allow 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. Following approval by the Company's shareholders of the declaration of a special dividend of \$0.20 on 26 July 2004, the said Committee approved a reduction of \$0.20 in the exercise prices of the share options outstanding on 28 July 2004. The said Committee approved another \$0.20 reduction in the exercise prices of the share options outstanding on 25 July 2006 following approval by the Company's shareholders of the declaration of a special dividend of \$0.20 on 21 July 2006. The exercise prices reflected here are the exercise prices after such adjustments.

- (iii) As at 30 September 2009, the number of share options of the Company outstanding was 59,447,188 (30 September 2008: 61,690,363).

(C) Restricted Share Plan and Performance Share Plan

- (i) At the extraordinary general meeting of the Company held on 25 July 2005, the Company's shareholders approved the adoption of two new share plans, namely the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP"), in addition to the Employee Share Option Plan.
- (ii) Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded could range between 0% to 150% of the initial grant of the restricted shares and between 0% to 200% of the initial grant of the performance shares.

- (iii) As at 30 September 2009 the number of outstanding shares granted under the Company's RSP and PSP were 1,893,553 (30 September 2008 : 1,312,028) and 292,500 (30 September 2008 : 220,800) respectively. The movement of these share awards during the quarter from 1 July to 30 September 2009 is as follows:

RSP

| No. | Date of grant | Balance at 01.07.2009 / date of grant | Adjustment * | Cancelled | Released | Balance at 30.09.09 |
|-----|---------------|---------------------------------------|--------------|-----------|-----------|---------------------|
| 1 | 03.07.2006 | 107,128 | - | (3,648) | (51,263) | 52,217 |
| 2 | 02.07.2007 | 327,600 | (13,104) | (15,049) | (150,511) | 148,936 |
| 3 | 01.07.2008 | 859,800 | - | - | - | 859,800 |
| 4 | 01.07.2009 | 832,600 | - | - | - | 832,600 |
| | Total | 2,127,128 | (13,104) | (18,697) | (201,774) | 1,893,553 |

* Adjustment at the end of two-year performance period upon meeting stated performance targets.

PSP

| No. | Date of grant | Balance at 01.07.2009 / date of grant | Adjustment * | Cancelled | Released | Balance at 30.09.09 |
|-----|---------------|---------------------------------------|--------------|-----------|----------|---------------------|
| 1 | 03.07.2006 | 31,100 | (18,660) | - | (12,440) | - |
| 2 | 02.07.2007 | 61,200 | - | - | - | 61,200 |
| 3 | 01.07.2008 | 128,500 | - | - | - | 128,500 |
| 4 | 01.07.2009 | 102,800 | - | - | - | 102,800 |
| | Total | 323,600 | (18,660) | - | (12,440) | 292,500 |

* Adjustment at the end of three-year performance period upon meeting stated performance targets.

- 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 2009. The adoption of the Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 April 2009 has no significant impact to the Group.

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.

Not applicable.

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 | | Group | |
|----------------------------|----------------------------------|----------------------------------|---------------------------------|---------------------------------|
| | 2 nd Qtr 2009-2010 | 2 nd Qtr 2008-2009 | 1 st Half 2009-10 | 1 st Half 2008-09 |
| Earnings per share (cents) | | | | |
| - Basic * | 5.66 | 6.80 | 9.84 | 12.27 |
| - Diluted # | 5.63 | 6.76 | 9.80 | 12.17 |

* 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 dilutive effect of 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 30 Sep 09 | As at 31 Mar 09 | As at 30 Sep 09 | As at 31 Mar 09 |
| Net asset value per share (cents) | 109.8 | 114.0 | 83.1 | 85.4 |

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.

GROUP EARNINGS

First Half FY2009-10

Amidst a challenging operating environment, SIAEC Group posted a profit attributable to equity holders of \$106.2 million, which was \$25.9 million or 19.6% lower than the corresponding period last year.

Revenue declined \$37.2 million or 7.0% to \$492.3 million, mainly attributable to lower airframe maintenance and component overhaul work as airlines reduced aircraft utilisation in tandem with the weak demand for air travel. This decrease was partially mitigated by higher Line Maintenance revenue generated from an increase in rectification and cabin maintenance work and more flights handled, primarily for low cost carriers. There was an increase in Fleet Management revenue arising from a larger fleet size of existing customers and, the addition of new customers. However, the revenue from the turnkey project to redesign, retrofit and overhaul a B747-400 was lower as the project was completed in the fourth quarter of FY 2008-09.

The implementation of various cost management initiatives resulted in expenditure falling \$28.1 million or 5.9% to \$444.9 million, mainly from reductions in staff costs and subcontract costs.

The resulting operating profit of \$47.4 million was \$9.1 million or 16.1% lower than the same period last year.

Share of profits of associated and joint venture companies decreased by \$15.7 million or 18.8% to \$67.6 million, as they were similarly impacted by the decline in aviation business.

Basic earnings per share was 9.84 cents for the half year ended 30 September 2009.

Second Quarter FY2009-10

Revenue decreased \$31.2 million or 11.2% to \$248.1 million. The decline was mainly due to lower airframe and component overhaul work, material usage and revenue from the B747-400 turnkey project. This was partially mitigated by higher Line Maintenance revenue, with more flights handled and an increase in aircraft support work, and Fleet Management revenue.

Expenditure dropped \$26.2 million or 11.0% to \$213.0 million, reflecting lower staff costs, subcontract costs and reductions in material usage.

Operating profit for the quarter was \$35.1 million, a decrease of \$5.0 million or 12.5% over the same quarter last year.

The Group recorded a profit attributable to equity holders of \$61.1 million, \$12.3 million or 16.8% lower than the corresponding period last year. Profits from associated and joint venture companies declined \$7.7 million or 19.4% to \$32.0 million. This represents a contribution of 44.9% to the Group's pre-tax profits.

The basic earnings per share was 5.66 cents.

GROUP FINANCIAL POSITION

As at 30 September 2009, equity attributable to equity holders of the Company amounted to \$1,185.2 million, \$43.7 million or 3.6% lower than at 31 March 2009.

Total assets decreased by \$55.4 million or 3.7% to \$1,446.8 million. Net asset value per share of 109.8 cents was 4.2 cents or 3.7% lower than at 31 March 2009. The total number of shares issued was 1,079.2 million as at 30 September 2009.

The Group has a healthy cash balance of \$302.2 million as at 30 September 2009, after a payment of \$118.7 million final dividend for FY 2008-09 during the quarter.

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.

OUTLOOK

In tandem with the airline industry's early signs of recovery, the Group posted a better performance in second quarter compared to the first quarter. However, the prospects for a sustained recovery remain uncertain.

Ongoing efforts to extend market reach and increase product mix will continue with the aim of broadening the revenue base. The Group will press on with its efforts to manage costs, optimise manpower deployment and improve productivity. With these measures in place, the Group is well positioned to capitalise on opportunities.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

| | |
|------------------|------------------------------|
| Name of dividend | Interim |
| Dividend Type | Cash |
| Dividend Rate | 5.0 cents per ordinary share |
| Tax rate | Tax exempt one-tier |

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

| | |
|------------------|------------------------------|
| Name of dividend | Interim |
| Dividend Type | Cash |
| Dividend Rate | 5.0 cents per ordinary share |
| Tax rate | Tax exempt one-tier |

(c) Date payable

The interim dividend will be paid on 30 November 2009.

(d) Books closure date

Notice is hereby given that duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrars, M & C Services Private Limited, at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 up to 5 p.m. on 17 November 2009 will be registered to determine shareholders' entitlements to the interim dividend. Thereafter the Share Transfer Books and the Register of Members of the Company will be closed on 18 November 2009 for the preparation of dividend warrants. The interim dividend will be paid on 30 November 2009 to members on the Register as at 17 November 2009.

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

Not applicable.

13. Additional Information

Interested Person Transactions

(In thousands of S\$)

| Name of interested person | 2 nd Quarter FY09/10 | |
|--|--|---|
| | Aggregate value of all new non-mandated IPTs entered into during the quarter under review (excluding transactions less than \$100,000) | Aggregate value of all new mandated IPTs under the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual) entered into during the quarter under review (excluding transactions less than \$100,000) |
| Tiger Airways Pte Ltd <i>(49% owned by SIA and 11% owned by Dahlia Investments which is a wholly-owned subsidiary of Temasek Holdings Pte Ltd)</i> | – | 11,915 |
| Singapore Airlines Ltd | – | 4,818 |
| SMRT Taxis Pte Ltd <i>(100% owned by SMRT Road Holdings Ltd, which is 100% owned by SMRT Corporation Ltd, which is in turn more than 30% owned by Temasek Holdings Pte Ltd)</i> | – | 290 |
| Great Wall Airlines Co Ltd <i>(25% owned by SIA Cargo Pte Ltd and 24% owned by Dahlia Investment which is a wholly-owned subsidiary of Temasek Holdings Pte Ltd)</i> | – | 261 |
| ST Aerospace Supplies Pte Ltd <i>(100% owned by ST Aerospace Ltd which is 100% owned by ST Engineering Ltd, which is more than 30% owned by Temasek Holdings Pte Ltd)</i> | – | 133 |
| Total | – | 17,417 |

BY ORDER OF THE BOARD

Devika Rani Davar
Company Secretary
2 November 2009

Singapore Co. Regn. No.: 198201025C

CONFIRMATION BY THE BOARD

We, Stephen Lee Ching Yen and Chew Choon Seng, being two directors of SIA Engineering Company Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the second quarter and half year FY2009/10 financial results to be false or misleading.

On behalf of the Board,



STEPHEN LEE CHING YEN
Chairman



CHEW CHOON SENG
Deputy Chairman

2 November 2009