



extending *REACH*

Summary Financial Statement 2006/07

*to our customers
and our people*



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Important Note

The summary financial statement of the Group set out on pages 5 to 22 does not contain sufficient information to allow for a full understanding of the results and state of affairs of the Group and of the Company. For further information, the full annual financial statements, the auditors' report on those financial statements, and the directors' report should be consulted. Shareholders may request for a copy of the full annual report at no cost from the Share Registrar. Please use the Request Form at the end of this summary financial statement.

SIA Engineering Company's financial year is from 1 April to 31 March. Throughout this report, all financial figures are in Singapore Dollars, unless stated otherwise.

Corporate Profile As a leading maintenance, repair and overhaul (MRO) company with a reputation for technical and operational excellence, SIA Engineering Company offers TOTAL SUPPORT solutions to an expanding client base of international air carriers.

Coupled with the specialised expertise that it has developed over the years, SIA Engineering Company offers its customers a high level of service and commitment, as well as faster turnaround and better cost efficiencies.

highest
QUALITY

Mission Statement *SIA Engineering Company is engaged in providing aviation engineering services of the highest quality, at competitive prices for customers and a profit to the company.*

The Company also actively seeks alliances and partnerships with industry specialists and original equipment manufacturers to extend the breadth and depth of its services in Singapore and beyond.

Certified a "People Developer" by Spring Singapore, SIA Engineering Company places a very high priority on attracting, developing, motivating and retaining its human capital. The Company holds certifications from 25 airworthiness authorities worldwide, such as Civil Aviation Authority of Singapore, Federal Aviation Administration and European Aviation Safety Agency.

Chairman's Statement

In FY2006/2007, major initiatives were introduced to improve cost efficiencies, minimise wastage and optimise manpower utilisation. Going forward, more plans are being rolled out to actively involve our staff and unions in working together with management to attain operational excellence.

Dear Shareholders,

Today, the SIA Engineering Company Group, supported by its suite of 19 joint ventures spread across six countries, reaches out to more than 85 airlines from around the world. At our maintenance centre in Singapore, initiatives to capture a larger slice of the global maintenance, repair and overhaul (MRO) business continue unabated. In 2006, the Group's Singapore-based facilities contributed half of Singapore's total aerospace output of \$6.3 billion and workforce of 11,700 workers. Indeed, as we relentlessly pursue organic growth and extend our global footprint, the foundation of our success is built on the commitment and skills of our highly qualified personnel. Going forward, management, staff and unions have reaffirmed their commitment to work in close partnership to achieve our shared vision of becoming a global premier MRO centre.

Extending Our Reach

As we extend the span of our services to reach a wider segment of airlines, our new service offerings under the Fleet Management Programme (FMP) have been well received by customers. Launched not too long ago, FMP meets the engineering needs of airlines with technical fleet management and inventory management services, thereby enabling the airlines to focus on their core business. As of 31 March 2007, we have under our wing a fleet of 52 aircraft from 8 airlines and we hope to increase the fleet size significantly in the current year.

Steadfast in staying at the forefront of aviation technology, we continued to acquire the latest aircraft capabilities. In December 2006, we were

among the first MRO players in the world to gain the capability of servicing the Boeing B777-300ER, an extension of the highly popular B777 series. We have also invested in new equipment and training of our engineers and technicians as we gear up to handle the technologically advanced Airbus A380, which will enter the SIA fleet in 2007.

The conversion of a B747-400 passenger airliner into a freighter during the year saw the Company's foray into passenger-to-freighter (PTF) conversion. The converted cargo plane was delivered to the customer, Dragonair, in January 2007. With our new PTF services, SIA Engineering Company is poised to tap the growing global market for conversions.

We continued our aggressive drive to build capacity and capabilities at our Singapore base. In December 2006, our latest two hangars, Hangars 4 and 5, were officially opened. Plans are underway to operate Hangar 6 by 2008, substantially for A380 checks. Additional locations at Changi Airport have also been identified for a few more hangars in the pipeline. Our continuing investments in infrastructure and joint ventures, forged with leading aerospace specialists, underscore our commitment to build a cluster of world-class facilities with a comprehensive spectrum of capabilities in the Singapore Aviation Hub. This MRO business model currently stands unique in the world.

Developing A World-class Workforce

The MRO industry has benefited from the growth momentum in the aviation sector. Nevertheless, it is imperative that we continue to remain nimble in an increasingly competitive industry.

A company-wide workforce transformation project, captioned “Our People – Our Hope, Our Trust”, was initiated in close collaboration and partnership with our three staff unions, namely AESU, SEEU and SIASU. The aim is to build a world-class workforce that will stand out as a strong and sustainable competitive advantage as we grow our global footprint.

In FY2006/2007, major initiatives were introduced to improve cost efficiencies, minimise wastage and optimise manpower utilisation. Going forward, more plans are being rolled out to actively involve our staff and unions in working together with management to attain operational excellence.

FY2006/2007 is the last year of linkage of the Company’s profit sharing bonus (PSB) formula with the SIA Group’s. From 2007/2008 onwards, our PSB will be based fully on the Company’s financial and operational performance indicators. This will enhance the efficacy of the PSB as a tool to incentivise high performance. We are deeply appreciative of the support from staff and the Unions in making this possible.

Dividend

Your Directors are recommending a final dividend of 8 cents per share. This brings the total dividend for FY2006/2007 to 12 cents per share, and translates to a gross dividend yield of 2.6% (based on the closing price of \$4.70 on 30 March 2007) and a payout ratio of 52.6%.

Awards

For the fourth time since our listing in 2000, SIA Engineering Company was again presented with the ‘Most Transparent Company Award’ (Services/Utilities/Agriculture category) from the Security Investors Association of Singapore. We are encouraged by the recognition from the investor community and will continue to strive for scrupulous adherence to best practices in corporate governance.

Our FY2005/2006 and FY2004/2005 Annual Reports clinched Silver Davey Awards from the New York-based International Academy of Visual Arts, a “by-invitation only” event, judged by top-tier professionals from internationally acclaimed media, advertising and marketing firms.

Business Outlook

The outlook for the MRO industry continues to be bright,

buoyed by the continued growth in air travel worldwide. We are well poised to capture a larger market share of the growing global MRO market through our strategic initiatives of capacity expansion, enhancement of service capabilities and establishment of our presence in key global markets, both regionally and beyond.

While the Company’s core business continues to face stiff pressure on rates, this will be moderated by a steady growth in business volume and productivity improvements.

Acknowledgements

At the close of the Company’s Annual General Meeting on 20 July 2007, three of our longest serving Directors - Mr Wong Nang Jang, Dr Varaprasad and Dr Thio Su Mien - will be retiring from the Board. We are grateful to them for their invaluable contributions to the Board and the various Board Committees they have served on since the Company’s listing in 2000.

On 1 August 2006, two new Directors, Mr Paul Chan and Mr Andrew Lim joined the Board. My Board colleagues and I extend a warm welcome to them.

I would like to thank my fellow Directors for their strong support, frank deliberations and commitment in steering the Company, and our management, staff and unions for their tireless efforts and unflinching dedication.

It would be remiss of me not to thank those without whom we will not exist, namely our valued customers in Singapore and worldwide.

Our employees are the pillars of strength that make the SIA Engineering Company Group stand out among its peers. Together, we will continue to strive towards excellence, and seek to achieve the highest possible standards of customer satisfaction in the industry.



Stephen Lee Ching Yen

Chairman

Corporate Data

Board of Directors

Chairman

Stephen Lee Ching Yen

Deputy Chairman

Chew Choon Seng

Directors

Bey Soo Khiang

Koh Kheng Siong

N Varaprasad

Tan Bian Ee

Thio Su Mien

Wong Nang Jang

Wong Ngit Liong

(until 21 July 2006)

Paul Chan Kwai Wah

(from 1 August 2006)

Andrew Lim Ming-Hui

(from 1 August 2006)

Company Secretary

Devika Rani Davar

Audit Committee

Chairman

Wong Nang Jang

(until 21 July 2006)

Koh Kheng Siong

(from 22 July 2006)

Members

N Varaprasad

Tan Bian Ee

Thio Su Mien

Nominating Committee

Chairman

Wong Ngit Liong

(until 21 July 2006)

Paul Chan Kwai Wah

(from 18 October 2006)

Members

Chew Choon Seng

Tan Bian Ee

Wong Nang Jang

Compensation & HR Committee

Chairman

N Varaprasad

Members

Chew Choon Seng

Wong Ngit Liong

(until 21 July 2006)

Koh Kheng Siong

(from 22 July 2006)

Board Committee

Members

Bey Soo Khiang

Chew Choon Seng

Alternate

Thio Su Mien

Registrar

M & C Services Private Limited

138 Robinson Road

#17-00

The Corporate Office

Singapore 068906

Auditors

Ernst & Young

Certified Public Accountants

One Raffles Quay

Level 18, North Tower

Singapore 048583

Audit Partner

Mak Keat Meng

Executive Management

President & Chief Executive Officer

William Tan Seng Koon

Senior Vice President (Aircraft, Component and Services)

Chan Seng Yong

Senior Vice President (Line Maintenance and Materials)

Jack Koh

Senior Vice President (Aircraft and Component Services)

Oh Wee Khoon *(until 31 May 2007)*

Senior Vice President (Human Resources)

Zarina Piperdi

Senior Vice President (Commercial)

Png Kim Chiang

Chief Financial Officer

Kwok Puay Nee *(until 14 February 2007)*

Chin Sak Hin *(from 15 February 2007)*

Registered Office

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Report by the Board of Directors

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2007.

1. Directors of the Company

The names of the directors in office at the date of this report are:

Stephen Lee Ching Yen	–	Chairman
Chew Choon Seng	–	Deputy Chairman
Bey Soo Kiang		
Koh Kheng Siong		(Independent)
N Varaprasad		(Independent)
Tan Bian Ee		(Independent)
Thio Su Mien		(Independent)
Wong Nang Jang		(Independent)
Paul Chan Kwai Wah		(Independent) (appointed as Director on 1 August 2006)
Andrew Lim Ming-Hui		(Independent) (appointed as Director on 1 August 2006)

2. Arrangements To Enable Directors To Acquire Shares And Debentures

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangements to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares and share options in, or debentures of, the Company or any other body corporate.

3. Directors' Interests In Ordinary Shares, Share Options And Debentures

The following directors who held office at the end of the financial year have, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), an interest in the ordinary shares and share options of the Company, and in the shares, share options, and debentures of the Company's immediate holding company and the subsidiary companies of the Company's immediate and ultimate holding company:

Report by the Board of Directors

3. Directors' Interests In Ordinary Shares, Share Options And Debentures (continued)

Name of Director	Direct interest			Deemed interest		
	1.4.2006/ date of appointment	31.3.2007	21.4.2007	1.4.2006/ date of appointment	31.3.2007	21.4.2007
Interest in Singapore Airlines Limited						
<u>Ordinary shares</u>						
Stephen Lee Ching Yen	10,000	10,000	10,000	–	–	–
Chew Choon Seng	214,000	214,000	214,000	–	–	–
N Varaprasad	2,000	1,000	1,000	–	–	–
Koh Kheng Siong	15,000	15,000	15,000	–	–	–
Paul Chan Kwai Wah	–	–	–	20,000	20,000	20,000
<u>Options to subscribe for ordinary shares</u>						
Chew Choon Seng	1,074,000	1,194,000	1,194,000	–	–	–
Bey Soo Kiang	608,000	420,000	420,000	–	–	–
<u>Conditional award of Restricted Share Plan performance shares</u>						
Chew Choon Seng	–	30,000	30,000	–	–	–
Bey Soo Kiang	–	10,000	10,000	–	–	–
<u>Conditional award of Performance Share Plan performance shares</u>						
Chew Choon Seng	–	27,000	27,000	–	–	–
Bey Soo Kiang	–	13,500	13,500	–	–	–
Interest in SIA Engineering Company Limited						
<u>Ordinary shares</u>						
Chew Choon Seng	20,000	20,000	20,000	–	–	–
Bey Soo Kiang	13,000	13,000	13,000	–	–	–
N Varaprasad	5,000	5,000	5,000	–	–	–
Thio Su Mien	13,000	13,000	13,000	–	–	–
Wong Nang Jang	30,000	30,000	30,000	30,000	30,000	30,000
Interest in Singapore Airport Terminal Services Limited						
<u>Ordinary shares</u>						
Chew Choon Seng	10,000	10,000	10,000	–	–	–
Interest in Singapore Telecommunications Limited						
<u>Ordinary shares</u>						
Stephen Lee Ching Yen	190	190	190	190	190	190
Chew Choon Seng	11,040	10,500	10,500	–	–	–
Bey Soo Kiang	1,620	1,550	1,550	10,910	10,370	10,370
N Varaprasad	12,700	12,070	12,070	1,620	1,550	1,550
Tan Bian Ee	1,620	1,550	1,550	12,760	12,130	12,130
Thio Su Mien	1,730	1,730	1,730	2,360	2,360	2,360
Wong Nang Jang	1,620	1,550	1,550	1,620	1,550	1,550
Koh Kheng Siong	11,040	10,500	10,500	3,050	2,900	2,900
Andrew Lim Ming-Hui	3,738	3,566	3,566	1,620	1,550	1,550
Paul Chan Kwai Wah	57,460	54,600	54,600	1,620	1,550	1,550

Report by the Board of Directors

3. Directors' Interests In Ordinary Shares, Share Options And Debentures (continued)

Name of Director	Direct interest			Deemed interest		
	1.4.2006/ date of appointment	31.3.2007	21.4.2007	1.4.2006/ date of appointment	31.3.2007	21.4.2007
Interest in Singapore Food Industries Limited						
<u>Ordinary shares</u>						
N Varaprasad	–	8,000	8,000	–	–	–
Interest in SMRT Corporation Limited						
<u>Ordinary shares</u>						
Chew Choon Seng	50,000	50,000	50,000	–	–	–
Interest in ST Engineering Limited						
<u>Ordinary shares</u>						
N Varaprasad	6,000	9,000	9,000	–	–	–
Koh Kheng Siong	34,361	34,361	34,361	–	–	–
Interest in Neptune Orient Lines Limited						
<u>Ordinary shares</u>						
Stephen Lee Ching Yen	30,000	30,000	30,000	–	–	–
Paul Chan Kwai Wah	1,000	1,000	1,000	1,000	1,000	1,000
Interest in Chartered Semiconductor Manufacturing Limited						
<u>Ordinary shares</u>						
Bey Soo Khiang	–	–	–	45,000	45,000	45,000

Except as disclosed in this report, no other director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of Company's immediate holding company and the subsidiary companies of the Company's immediate and ultimate holding company, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. Directors' Contractual Benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company which the director has a substantial financial interest.

Report by the Board of Directors

5. Options on Shares in the Company

(i) Employee Share Option Plan

The SIA Engineering Company Limited Employee Share Option Plan (the "Plan"), which comprises the Senior Executive Share Option Scheme and the Employee Share Option Scheme for senior executives and all other employees respectively, was approved by shareholders on 9 February 2000.

Under the Plan, all options to be issued will have a term no longer than 10 years from the date of grant. The exercise price of the option will be the average of the closing prices of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five market days immediately preceding the date of grant.

Under the Employee Share Option Scheme, options will vest two years after the date of grant. Under the Senior Executive Share Option Scheme, options will vest:

- (a) one year after the date of grant for 25% of the ordinary shares subject to the options;
- (b) two years after the date of grant for an additional 25% of the ordinary shares subject to the options;
- (c) three years after the date of grant for an additional 25% of the ordinary shares subject to the options;
and
- (d) four years after the date of grant for the remaining 25% of the ordinary shares subject to the options.

At the date of this report, the Compensation and HR Committee administering the Plan comprises the following directors:

N Varaprasad – Chairman
Chew Choon Seng
Koh Kheng Siong

No options have been granted to controlling shareholders or their associates, or parent group employees.

No employee has received 5% or more of the total number of options available under the Plan.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

During the financial year, in consideration of the payment of \$1.00 for each offer accepted, offers of options were granted pursuant to the Plan in respect of 15,244,800 unissued shares in the Company at an exercise price of \$3.64 per share, which was later reduced to \$3.44 per share.

Report by the Board of Directors

5. Options on Shares in the Company (continued)

(i) Employee Share Option Plan (continued)

At the end of the financial year, options to take up 49,731,288 unissued shares in the Company were outstanding:

Date of grant	Number of options to subscribe for unissued ordinary shares			Balance at 31.3.2007	Exercise price *	Exercisable period
	Balance at 1.4.2006/ date of grant	Cancelled	Exercised			
28.03.2000	6,038,400	(81,600)	(3,705,800)	2,251,000	\$1.65	28.03.2001 - 27.03.2010
03.07.2000	5,008,150	(85,200)	(2,915,337)	2,007,613	\$1.55	03.07.2001 - 02.07.2010
02.07.2001	3,169,650	(49,200)	(2,016,550)	1,103,900	\$1.01	02.07.2002 - 01.07.2011
01.07.2002	11,049,975	(12,800)	(5,166,050)	5,871,125	\$1.98	01.07.2003 - 30.06.2012
01.07.2003	3,811,625	(5,850)	(2,017,550)	1,788,225	\$1.35	01.07.2004 - 30.06.2013
01.07.2004	14,956,875	(21,200)	(9,143,125)	5,792,550	\$1.69	01.07.2005 - 30.06.2014
01.07.2005	16,190,900	(220,100)	(126,325)	15,844,475	\$2.25	01.07.2006 - 30.06.2015
03.07.2006	15,244,800	(172,400)	-	15,072,400	\$3.44	03.07.2007 - 02.07.2016
	75,470,375	(648,350)	(25,090,737)	49,731,288		

* 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.

(ii) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

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 RSP and the PSP, in addition to the Employee Share Option Plan.

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% and 120% of the initial grant of the restricted shares and between 0% to 150% of the initial grant of the performance shares.

At the date of this report, the Compensation and HR Committee which administers the RSP and PSP comprises the following directors:

N Varaprasad – Chairman
Chew Choon Seng
Koh Kheng Siong

No shares have been granted to controlling shareholders or their associates, or parent group employees under the RSP and PSP.

No employee has received 5% or more of the total number of shares granted under the RSP and PSP, other than as detailed in Note 2 of the Summary Financial Statement.

Report by the Board of Directors

5. Options on Shares in the Company (continued)

(ii) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") (continued)

The details of the shares awarded under the new share plans during the year since commencement of the RSP and PSP are as follows:

RSP

Date of grant	Number of Ordinary shares			Balance at 31.3.2007
	Balance at 1.4.2006/ date of grant	Shares cancelled during financial year	Shares released during financial year	
03.07.2006	205,200	(2,000)	-	203,200
	205,200	(2,000)	-	203,200

PSP

Date of grant	Number of Ordinary shares			Balance at 31.3.2007
	Balance at 1.4.2006/ date of grant	Shares cancelled during financial year	Shares released during financial year	
03.07.2006	36,900	-	-	36,900
	36,900	-	-	36,900

6. Audit Committee

The Audit Committee performed the functions specified in the Singapore Companies Act. The functions performed are detailed in the Report on Corporate Governance, which is set out in the Annual Report.

7. Auditors

The auditors, Ernst & Young, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board,

STEPHEN LEE CHING YEN

Chairman

CHEW CHOON SENG

Deputy Chairman

Dated this 8th day of May 2007

Statement by the Directors

Pursuant to Section 201(15) of the Singapore Companies Act, Cap. 50

We, Stephen Lee Ching Yen and Chew Choon Seng, being two of the directors of SIA Engineering Company Limited, do hereby state that, in the opinion of the directors:

- (a) the accompanying balance sheets, consolidated profit and loss account, statements of changes in equity, and consolidated cash flow statements together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2007 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board,

STEPHEN LEE CHING YEN

Chairman

CHEW CHOON SENG

Deputy Chairman

Dated this 8th day of May 2007

Auditor's Report

to the Members of SIA Engineering Company Limited

We have examined the accompanying summary financial statement set out on pages 14 to 22.

In our opinion, the summary financial statement is consistent, in all material respects, with the full financial statements and the directors' report of SIA Engineering Company Limited and its subsidiary companies for the financial year ended 31 March 2007 from which they were derived, and complies with the requirements of S203A of the Companies (Amendment) Act 1995, and regulations made thereunder.

In our auditors' report dated 8 May 2007, which is reproduced below, we expressed an unqualified opinion on the financial statements of SIA Engineering Company Limited and its subsidiary companies:

"We have audited the accompanying financial statements of SIA Engineering Company Limited (the "Company") and its subsidiaries (collectively, the Group) set out on pages # to #, which comprise the balance sheets of the Group and the Company as at 31 March 2007, the statements of changes in equity of the Group and the Company, the profit and loss account and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The page numbers are stated in the auditors' report dated 8th May 2007 included in the SIA Engineering Company Annual Report for the financial year ended 31 March 2007.

Auditor's Report

to the Members of SIA Engineering Company Limited

Opinion

In our opinion,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2007 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act."

For a better understanding of the financial position of the Group and of the Company and the results of the operations of the Group for the year and of the scope of our audit, the summary financial statement should be read in conjunction with the full financial statements from which the summarised financial statement was derived and our audit report thereon.

ERNST & YOUNG

Certified Public Accountants

Dated this 8th of May 2007

Singapore

Consolidated Profit and Loss Account

For the financial year ended 31 March 2007 (in thousands of \$)

	The Group	
	2006-07	2005-06
REVENUE	977,376	959,139
EXPENDITURE		
Staff costs	418,161	380,075
Material costs	234,902	235,685
Depreciation	26,794	25,461
Amortisation of intangibles	7,706	7,022
Company accommodation	42,455	39,337
Subcontract costs	84,015	79,465
Other operating expenses	61,314	57,415
	875,347	824,460
OPERATING PROFIT	102,029	134,679
Interest income	13,676	9,190
Interest on external borrowings	(33)	(26)
Surplus on disposal of fixed assets	274	1,906
Dividend received from long-term investment	15,452	11,922
Share of profits of associated companies	106,136	85,753
Share of profits of joint venture companies	33,427	19,866
PROFIT BEFORE TAXATION	270,961	263,290
Taxation	(29,388)	(32,910)
PROFIT FOR THE FINANCIAL YEAR	241,573	230,380
PROFIT ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE COMPANY	242,073	230,557
Minority interests	(500)	(177)
	241,573	230,380
DIVIDENDS PAID:		
Final dividend of 6.0 cents per share tax exempt one-tier in respect of previous financial year (2005-06: 4.5 cents per share tax exempt)	63,247	46,098
Special dividend of 20.0 cents per share tax exempt one-tier in respect of previous financial year (2005-06: nil)	210,822	-
Interim dividend of 4.0 cents per share tax exempt one-tier in respect of current financial year (2005-06: 4.0 cents per share tax exempt)	42,282	41,091
	316,351	87,189
BASIC EARNINGS PER SHARE (CENTS)	23.0	22.5
DILUTED EARNINGS PER SHARE (CENTS)	22.5	22.1

Balance Sheets

As at 31 March 2007 (in thousands of \$)

	The Group		The Company	
	2007	2006	2007	2006
SHARE CAPITAL	214,545	163,084	214,545	163,084
RESERVES				
Share-based compensation reserve	17,971	11,898	17,971	11,898
Foreign currency translation reserve	(47,142)	(21,653)	–	–
General reserve	811,796	885,558	560,382	718,331
	782,625	875,803	578,353	730,229
EQUITY ATTRIBUTABLE TO				
EQUITY HOLDERS OF THE COMPANY	997,170	1,038,887	792,898	893,313
MINORITY INTERESTS	13,240	14,170	–	–
TOTAL EQUITY	1,010,410	1,053,057	792,898	893,313
DEFERRED TAXATION	13,191	14,842	13,129	14,522
LONG-TERM LIABILITY				
Finance lease commitments – repayable after one year	–	1,952	–	–
	1,023,601	1,069,851	806,027	907,835
Represented by:				
FIXED ASSETS	250,328	230,084	233,150	218,477
INTANGIBLES	15,258	19,200	14,916	18,898
SUBSIDIARY COMPANIES	–	–	16,320	16,320
ASSOCIATED COMPANIES	339,648	299,779	164,672	168,330
JOINT VENTURE COMPANIES	85,828	69,835	56,599	56,599
LONG-TERM INVESTMENTS	14,606	14,606	14,606	14,606
CURRENT ASSETS				
Trade and other debtors	65,786	52,675	55,329	45,662
Immediate holding company	73,705	84,631	73,617	84,233
Related parties	22,221	29,775	19,099	24,542
Stocks	11,480	8,254	9,189	6,899
Work-in-progress	35,940	18,324	35,881	18,198
Short-term deposits	369,745	464,144	362,316	455,140
Cash and bank balances	30,556	36,450	24,057	28,320
	609,433	694,253	579,488	662,994
Less:				
CURRENT LIABILITIES				
Trade and other creditors	243,428	224,096	228,818	215,974
Bank loans	750	750	–	–
Finance lease commitments – repayable within one year	1,952	245	–	–
Current tax payable	45,370	32,815	44,906	32,415
	291,500	257,906	273,724	248,389
NET CURRENT ASSETS	317,933	436,347	305,764	414,605
	1,023,601	1,069,851	806,027	907,835

Statement of Changes in Equity

For the financial year ended 31 March 2007 (in thousands of \$)

	Attributable to Equity Holders of the Company							Total equity
	Share capital	Share premium	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total	Minority interests	
The Group								
Balance at 1 April 2005	101,742	25,634	5,637	(15,482)	742,190	859,721	2,332	862,053
Transfer to share capital	25,634	(25,634)	–	–	–	–	–	–
	127,376	–	5,637	(15,482)	742,190	859,721	2,332	862,053
Currency translation differences not recognised in the profit and loss account	–	–	–	(6,171)	–	(6,171)	46	(6,125)
Profit for the financial year	–	–	–	–	230,557	230,557	(177)	230,380
Net income and expense recognised for the financial year	–	–	–	(6,171)	230,557	224,386	(131)	224,255
Capital contribution	–	–	–	–	–	–	12,013	12,013
Share-based payment	–	–	7,194	–	–	7,194	–	7,194
Share options exercised	35,708	–	(933)	–	–	34,775	–	34,775
Dividends	–	–	–	–	(87,189)	(87,189)	(44)	(87,233)
Balance at 31 March 2006	163,084	–	11,898	(21,653)	885,558	1,038,887	14,170	1,053,057
Currency translation differences not recognised in the profit and loss account	–	–	–	(25,489)	–	(25,489)	24	(25,465)
Profit for the financial year	–	–	–	–	242,073	242,073	(500)	241,573
Net income and expense recognised for the financial year	–	–	–	(25,489)	242,073	216,584	(476)	216,108
Share-based payment	–	–	13,229	–	–	13,229	–	13,229
Share options exercised	51,461	–	(6,640)	–	–	44,821	–	44,821
Share options lapsed	–	–	(516)	–	516	–	–	–
Dividends	–	–	–	–	(316,351)	(316,351)	(454)	(316,805)
Balance at 31 March 2007	214,545	–	17,971	(47,142)	811,796	997,170	13,240	1,010,410

Statement of Changes in Equity

For the financial year ended 31 March 2007 (in thousands of \$)

	Share capital	Share premium	Share-based compensation reserve	General reserve	Total
The Company					
Balance at 1 April 2005	101,742	25,634	5,637	616,209	749,222
Transfer to share capital	25,634	(25,634)	–	–	–
	127,376	–	5,637	616,209	749,222
Profit for the financial year	–	–	–	189,311	189,311
Net income recognised for the financial year	–	–	–	189,311	189,311
Share-based payment	–	–	7,194	–	7,194
Share options exercised	35,708	–	(933)	–	34,775
Dividends	–	–	–	(87,189)	(87,189)
Balance at 31 March 2006	163,084	–	11,898	718,331	893,313
Profit for the financial year	–	–	–	157,886	157,886
Net income recognised for the financial year	–	–	–	157,886	157,886
Share-based payment	–	–	13,229	–	13,229
Share options exercised	51,461	–	(6,640)	–	44,821
Share options lapsed	–	–	(516)	516	–
Dividends	–	–	–	(316,351)	(316,351)
Balance at 31 March 2007	214,545	–	17,971	560,382	792,898

Consolidated Cash Flow Statement

For the financial year ended 31 March 2007 (in thousands of \$)

	The Group	
	2006-07	2005-06
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	270,961	263,290
Adjustments for:		
Interest income	(13,676)	(9,190)
Interest expense	33	26
Depreciation	26,794	25,461
Amortisation of intangibles	7,706	7,022
Share of profits of associated and joint venture companies	(139,563)	(105,619)
Dividend income from long-term investment	(15,452)	(11,922)
Surplus on disposal of fixed assets	(274)	(1,906)
Exchange differences	2,950	1,361
Share-based payment	13,194	7,158
Operating profit before working capital changes	152,673	175,681
Increase in debtors	(14,839)	(12,303)
(Increase) / Decrease in stocks and work-in-progress	(20,842)	20,664
Increase in creditors	19,784	21,973
Decrease / (Increase) in amounts owing from related companies	18,292	(20,454)
Cash generated from operations	155,068	185,561
Income taxes paid	(9,682)	(12,576)
NET CASH PROVIDED BY OPERATING ACTIVITIES	145,386	172,985

Consolidated Cash Flow Statement (continued)

For the financial year ended 31 March 2007 (in thousands of \$)

	The Group	
	2006-07	2005-06
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(47,132)	(38,166)
Purchase of intangible assets	(3,764)	(1,438)
Proceeds from disposal of fixed assets	114	5,835
Investments in associated companies	–	(1,703)
Proceeds from capital reduction of associated company	3,855	–
Dividend received from long-term investment	15,452	11,922
Dividends received from associated companies	31,900	52,112
Dividends received from joint venture companies	13,878	7,049
Interest received from deposits	13,900	7,430
NET CASH PROVIDED BY INVESTING ACTIVITIES	28,203	43,041
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	44,821	34,775
Proceeds from issuance of share capital by subsidiary companies to minority shareholders	–	12,013
Interest paid	(33)	(26)
Repayment of finance lease obligations	(245)	–
Dividends paid	(316,805)	(87,233)
NET CASH USED IN FINANCING ACTIVITIES	(272,262)	(40,471)
NET CASH (OUTFLOW) / INFLOW	(98,673)	175,555
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	500,594	325,913
Effect of exchange rate changes	(1,620)	(874)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	400,301	500,594
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	369,745	464,144
Cash and bank balances	30,556	36,450
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	400,301	500,594

Notes to the Summary Financial Statement

31 March 2007

1. General

SIA Engineering Company Limited (the "Company") is a limited liability company incorporated in the Republic of Singapore, which is also the place of domicile. The Company is a subsidiary company of Singapore Airlines Limited and its ultimate holding company is Temasek Holdings (Private) Limited, both incorporated in the Republic of Singapore.

The registered office of the Company is located at SIA Engineering Company Hangar, 31 Airline Road, Singapore 819831.

The principal activities of the Company are the airframe maintenance and component overhaul services, the provision of line maintenance and technical ground handling services, and investment holdings. The principal activities of the subsidiary companies include the manufacturing of aircraft cabin equipment, refurbishment of aircraft galleys, the provision of technical and non-technical handling services, repair and overhaul of hydro-mechanical aircraft equipment and investment holdings. There have been no significant changes in the nature of these activities during the financial year.

The financial statements for the financial year ended 31 March 2007 were authorised for issue in accordance with a resolution of the Board of Directors on 8 May 2007.

2. Related Party Transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, these were the following significant related party transactions which were carried out in the normal course of business on terms that prevail in arm's length transactions during the financial year:

(in thousands of \$)	The Group		The Company	
	2006-07	2005-06	2006-07	2005-06
Income				
Sales of services and related materials to:				
- the immediate holding and related companies	689,957	720,681	668,550	711,273
- associated companies	4,901	4,497	4,901	4,497
- joint venture companies	9,142	6,944	9,142	6,944
Interest income from the immediate holding company	11,718	7,561	11,718	7,561
Equipment fee charged to the immediate holding company	4,828	5,383	4,828	5,383
Rental of office space charged to the immediate holding company	1,397	2,149	1,397	2,149

Notes to the Summary Financial Statement

31 March 2007

2. Related Party Transactions (continued)

(in thousands of \$)	The Group		The Company	
	2006-07	2005-06	2006-07	2005-06
Expense				
Management fees charged by the immediate holding company for corporate, general and administrative, technical and insurance services and equipment leases	11,659	12,373	11,659	12,373
Rental of workshop and office space charged by the immediate holding company	22,805	22,865	22,805	22,865
Purchases of materials from the immediate holding company	199,499	215,326	199,499	215,326
Purchases of goods from:				
- associated companies	5,005	9,570	5,005	9,570
- joint venture companies	13	4	13	4
Services rendered by:				
- the immediate holding company	9,389	8,845	9,389	8,845
- a related company	2,936	3,179	2,936	3,179

Directors' and key executives' remuneration of the Company (\$)

	The Company	
	2006-07	2005-06
<u>Directors</u>		
Directors' fees	741,068 *	542,404
<u>Key executives (excluding executive directors)</u>		
Salary, bonuses and other costs	2,994,000	1,778,000
CPF and other defined contributions	49,000	39,000
Share based compensation expense	530,000	244,000

* proposed

Notes to the Summary Financial Statement

31 March 2007

2. Related Party Transactions (continued)

Share options granted to and exercised by key executives of the Company are as follows:

Name of participant	Options granted during financial year under review	Exercise price for options granted during financial year under review	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options exercised since commencement of scheme to end of financial year under review	Options lapsed	Aggregate options outstanding at end of financial year under review
William Tan	153,800	\$3.44	1,442,800	380,000	–	1,062,800
Oh Wee Khoon	43,000	\$3.44	861,500	651,800	–	209,700
Chan Seng Yong	43,000	\$3.44	748,225	488,725	–	259,500
Png Kim Chiang	43,000	\$3.44	710,200	300,075	–	410,125
Jack Koh Swee Lim	43,000	\$3.44	43,000	–	–	43,000
Zarina Piperdi	78,000	\$3.44	78,000	–	–	78,000

Conditional awards granted to key executives of the Company pursuant to RSP and PSP are as follows:

Name of participant	Shares granted during financial year under review	Aggregate shares granted since commencement of scheme to end of financial year under review	Aggregate shares released since commencement of scheme to end of financial year under review	Shares lapsed	Aggregate shares outstanding at end of financial year under review
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RSP

William Tan	23,100 *	23,100	–	–	23,100
Oh Wee Khoon	6,500	6,500	–	–	6,500
Chan Seng Yong	6,500	6,500	–	–	6,500
Png Kim Chiang	6,500	6,500	–	–	6,500
Jack Koh Swee Lim	6,500	6,500	–	–	6,500
Zarina Piperdi	8,400	8,400	–	–	8,400

PSP

William Tan	13,700 *	13,700	–	–	13,700
Oh Wee Khoon	5,800 *	5,800	–	–	5,800
Chan Seng Yong	5,800 *	5,800	–	–	5,800
Png Kim Chiang	5,800 *	5,800	–	–	5,800
Jack Koh Swee Lim	5,800 *	5,800	–	–	5,800

* Exceed 5% of the RSP and / or PSP share awards respectively

Additional Information

Required By The Singapore Exchange Securities Trading Limited

1. Interested Person Transactions (in thousands of \$)

The aggregate value of interested person transactions ("IPTs") entered into during the financial year are as follows:

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Singapore Airlines Ltd	–	123,313
SIA Cargo <i>(wholly-owned by Singapore Airlines Ltd)</i>	–	4,620
SilkAir Pte Ltd <i>(wholly-owned by Singapore Airlines Ltd)</i>	–	812
Tiger Airways Pte Ltd <i>(49% owned by Singapore Airlines Ltd, 11% by Dahlia Investments Pte Ltd which is a wholly-owned subsidiary of Temasek Holdings Pte Ltd)</i>	–	5,000
Senoko Energy Supply Pte Ltd <i>(100% owned by Senoko Power Limited and ultimately by Temasek Holdings Pte Ltd)</i>	–	4,072
Keppel FMO Pte Ltd <i>(100% owned by Keppel Integrated Engineering Ltd (KIE), 100% of KIE owned by Keppel Corporation Ltd (KCL) and 32% of KCL is owned by Temasek Holdings Pte Ltd)</i>	–	516
Great Wall Airlines Co Ltd <i>(25% owned by SIA Cargo Pte Ltd and 24% owned by Dahlia Investments Pte Ltd which is a wholly-owned subsidiary of Temasek Holdings Pte Ltd)</i>	–	22,550
Jetstar and Valuair <i>(more than 30% held by Fullerton Management and ultimately by Temasek Holdings Pte Ltd)</i>	–	4,000
Republic Advertising Consultants <i>(100% owned by SNP Corporation Ltd which is 54.29% owned by Green Dot Capital Ltd, which in turn is wholly-owned by Temasek Holdings Pte Ltd)</i>	–	196
Total	–	165,079

Additional Information

Required By The Singapore Exchange Securities Trading Limited

2. Material Contracts

Since the end of the previous financial year, the Company and its subsidiaries did not enter into any material contracts involving interests of the Chief Executive Officer, directors or controlling shareholders and no such material contracts still subsist at the end of the financial year.

3. Operating Statistics

	The Group		The Company	
	2006-07	2005-06	2006-07	2005-06
Employee Productivity				
Average number of employees	5,661	5,133	5,149	4,789
Revenue per employee (\$)	172,651	186,857	183,759	196,281
Value added per employee (\$)	126,651	130,690	119,540	128,522

Shareholding Statistics

as at 16 May 2007

Issued and fully paid-up share capital	:	\$208,241,080.35
Number of shares in issue	:	1,062,469,212
Class of shares	:	Ordinary shares
Voting rights	:	1 vote for 1 share

Range of Shareholdings	Number of Shareholders	%	Amount of Shareholdings	%
1 — 999	173	1.55	79,534	0.01
1,000 — 10,000	10,018	89.63	21,204,717	1.99
10,001 — 1,000,000	976	8.73	31,960,862	3.01
1,000,001 and above	10	0.09	1,009,224,099	94.99
Total	11,177	100.00	1,062,469,212	100.00

Major Shareholders

Name	Number Of Shares Held	%
SINGAPORE AIRLINES LIMITED	870,000,000	81.89
DBS NOMINEES PTE LTD	42,762,250	4.03
HSBC (SINGAPORE) NOMINEES PTE LTD	33,139,700	3.12
RAFFLES NOMINEES PTE LTD	22,953,015	2.16
CITIBANK NOMINEES SINGAPORE PTE LTD	19,389,300	1.83
DBSN SERVICES PTE LTD	8,929,734	0.84
UNITED OVERSEAS BANK NOMINEES PTE LTD	4,340,100	0.41
MORGAN STANLEY ASIA (S'PORE)	3,443,000	0.32
TM ASIA LIFE SINGAPORE LTD - PAR FUND	3,088,000	0.29
ROYAL BANK OF CANADA (ASIA) LTD	1,179,000	0.11
OCBC NOMINEES SINGAPORE PTE LTD	954,402	0.09
UOB KAY HIAN PTE LTD	840,000	0.08
MERRILL LYNCH (S'PORE) PTE LTD	735,500	0.07
PHILLIP SECURITIES PTE LTD	658,803	0.06
WONG KET SEONG @ WONG KET YIN	550,000	0.05
OCBC SECURITIES PRIVATE LTD	472,825	0.04
DB NOMINEES (S) PTE LTD	466,356	0.04
NTUC THRIFT & LOAN CO-OPERATIVE LIMITED	400,000	0.04
DBS VICKERS SECURITIES (S) PTE LTD	356,000	0.03
LIM & TAN SECURITIES PTE LTD	341,000	0.03
Total	1,014,998,985	95.53

Substantial Shareholders (as shown in the Register of Substantial Shareholders)

Name	Direct Interest	Indirect Interest	Total Interest	%
Temasek Holdings (Pte) Ltd	Nil	873,318,000	873,318,000	82.20%
Singapore Airlines Ltd	870,000,000	Nil	870,000,000	81.89%

Shareholding Held By The Public

Based on the information available to the Company as of 16 May 2007, 18.11 per cent of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of SIA Engineering Company Limited (“**the Company**”) will be held at Mandarin Ballroom 1, Level 6, South Tower, Meritus Mandarin Singapore, 333 Orchard Road, Singapore 238867 on Friday, 20 July 2007 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and Audited Financial Statements of the Company for the year ended 31 March 2007 and the Auditors’ Report thereon.
2. To declare a final tax exempt (one-tier) dividend of 8 cents per ordinary share for the year ended 31 March 2007.
3. To re-elect the following Director, who is retiring by rotation pursuant to Article 83 of the Company’s Articles of Association and who, being eligible, offers himself for re-election pursuant to Article 84 of the Company’s Articles of Association:
 - 3.1 Mr Tan Bian Ee
4. To re-elect the following Directors, each of whom will retire pursuant to Article 90 of the Company’s Articles of Association and who, being eligible, offer themselves for re-election as Directors:
 - 4.1 Mr Paul Chan Kwai Wah
 - 4.2 Mr Andrew Lim Ming-Hui
5. To approve the payment of Directors’ Fees of \$741,068 (FY2005/2006: \$542,404) for the year ended 31 March 2007.
6. To re-appoint Messrs Ernst & Young as Auditors of the Company to hold office until the next Annual General Meeting and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions with or without any modifications:
 - 7.1 That pursuant to Section 161 of the Companies Act, Cap 50, authority be and is hereby given to the Directors of the Company to:
 - (a) (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

 - (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent. of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

Notice of Annual General Meeting

- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

7.2 That the Directors be and are hereby authorised to:

- (a) offer and grant options in accordance with the provisions of the SIAEC Employee Share Option Plan ("Share Option Plan") and/or to grant awards in accordance with the provisions of the SIAEC Performance Share Plan ("Performance Share Plan") and/or the SIAEC Restricted Share Plan ("Restricted Share Plan") (the Share Option Plan, the Performance Share Plan and the Restricted Share Plan, together the "Share Plans"); and
- (b) allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Share Option Plan and/or such number of fully paid shares as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and/or the Restricted Share Plan,

provided always that the aggregate number of ordinary shares to be issued pursuant to the Share Plans shall not exceed 15 per cent. of the total number of issued ordinary shares in the capital of the Company from time to time.

7.3 That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual ("Chapter 9") of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and associated companies that are "entities at risk" (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the letter to the shareholders dated 15 June 2007 (the "Letter") with any party who is of the class of interested persons described in the Appendix to the Letter, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the "IPT Mandate") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

8. To transact any other business of the Company which may arise and can be transacted at an annual general meeting.

Notice of Annual General Meeting

CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the final dividend being obtained at the 25th Annual General Meeting to be held on 20 July 2007, the Transfer Books and the Register of Members of the Company will be closed on 27 July 2007 for the preparation of dividend warrants.

Duly completed and stamped transfers (together with all relevant documents) received by the Share Registrar, M & C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, up to 5 p.m. on 26 July 2007 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, shareholders whose Securities Accounts with The Central Depository (Pte) Limited ("CDP") are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 26 July 2007 will be entitled to the final dividend.

The final dividend, if so approved by shareholders, will be paid on 7 August 2007.

BY ORDER OF THE BOARD

DEVIKA RANI DAVAR
Company Secretary
15 June 2007
Singapore

Explanatory Notes:

1. In relation to Ordinary Resolution No. 3, Mr Tan Bian Ee, an independent Director, will, upon re-election, continue to serve as a member of the Audit and Nominating Committees.
2. In relation to Ordinary Resolution No. 4, Mr Paul Chan Kwai Wah and Mr Andrew Lim Ming-Hui are considered independent Directors. Mr Paul Chan Kwai Wah will, upon re-election, continue to serve as Chairman of the Nominating Committee.
3. Ordinary Resolution No. 7.1, if passed, will empower Directors to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, from the date of the above meeting until the date of the next Annual General Meeting. The number of shares which the Directors may issue under this Resolution will not exceed 50 per cent. of the issued shares in the capital of the Company with a sub-limit of 10 per cent. for issues other than on a pro rata basis. The 10 per cent. sub-limit for non-pro rata issues is lower than the 20 per cent. sub-limit allowed under the Listing Manual of the SGX-ST and the Articles of Association of the Company. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which are outstanding at the time this Ordinary Resolution is passed and (b) any subsequent consolidation or subdivision of shares. For avoidance of doubt, shareholders' approval would be required for any consolidation or subdivision of shares.
4. Ordinary Resolution No. 7.2, if passed, will empower the Directors to offer and grant options and/or awards and to allot and issue ordinary shares in the capital of the Company pursuant to the SIAEC Employee Share Option Plan, the SIAEC Performance Share Plan and the SIAEC Restricted Share Plan. The modified SIAEC Employee Share Option Plan was adopted at the Extraordinary General Meeting of the Company held on 7 July 2001 and further modified at the Extraordinary General Meetings of the Company held on 12 July 2003 and 26 July 2004 respectively. The SIAEC Performance Share Plan and the SIAEC Restricted Share Plan were adopted at the Extraordinary General Meeting of the Company held on 25 July 2005.
5. Ordinary Resolution No. 7.3 is to renew the mandate to allow the Company, its subsidiaries and relevant associated companies or any of them to enter into certain interested person transactions with certain classes of interested persons as described in the Appendix to the Letter.

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, not less than 48 hours before the time appointed for the Annual General Meeting.

15 June 2007

Dear Shareholder,

This is a copy of the Summary Financial Statement ("SFS") of SIA Engineering Company Limited ("SIAEC") for the financial year 2006/07. The SFS contains a review of SIAEC and its subsidiaries (the "SIAEC Group") for the financial year ended 31 March 2007. It also contains a summary of the information in the Directors' Report and a summary of the audited financial statements of SIAEC and the SIAEC Group for the financial year 2006/07. We will continue to send you a copy of the SFS for subsequent financial years for as long as you remain a SIAEC shareholder, unless you notify us otherwise.

The full Directors' Report and the full financial statements of SIAEC and the SIAEC Group are set out in a separate report called the Annual Report. Please note that the Annual Report for the financial year 2006/07 is available to all SIAEC shareholders at no cost upon notification being given to SIAEC before 25 June 2007.

If you wish to receive a copy of the Annual Report for the financial year 2006/07 and/or the Annual Report for subsequent financial years for as long as you remain a SIAEC shareholder, please complete the request form below by ticking the appropriate box, and return it to us at the address specified overleaf, by no later than 25 June 2007. If we do not receive your completed request form by 25 June 2007, you will be taken to have indicated that you wish to continue receiving the SFS for all future financial years for as long as you remain a SIAEC shareholder and you do not wish to receive the Annual Report for the financial year 2006/07 and for all future financial years for as long as you remain a SIAEC shareholder.

For shareholders who have indicated to us previously that you wish/do not wish to receive the SFS and the Annual Report for as long as you are a shareholder, you may change your wishes by ticking the relevant box in the request form below and returning it to us by 25 June 2007.

If we do not receive your request form, it would indicate that there is no change to your wishes. Your latest request will supersede the earlier requests received by us.

Please note that you will be able to access the Annual Report on the SIAEC website, www.siaec.com.sg from 6 July 2007 onwards.

Yours faithfully

For and on behalf of
SIA Engineering Company Limited

Devika Rani Davar
Company Secretary

REQUEST FORM

To: The Company Secretary
SIA Engineering Company Limited
c/o M & C Services Private Limited, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906

NB. Please tick only one box only. Incomplete or incorrectly completed forms will not be processed.

- I/We wish to receive the Annual report in addition to the Summary Financial Statement for the financial year 2006/07*.
- I/We do not wish to receive the Annual Report and the Summary Financial Statement for the financial year 2006/07 and for as long as I/We am/are a shareholder/s of SIA Engineering Company Limited.
- I/We wish to receive the Annual Report for the financial year 2006/07 in addition to the Summary Financial Statement for as long as I/We am/are a shareholder/s of SIA Engineering Company Limited.

Name(s) of Shareholder(s): _____ NRIC/Passport Number(s): _____

The shares are held by me under or through:

- CDP Securities Account Number#

1	6	8	1	-					-				
---	---	---	---	---	--	--	--	--	---	--	--	--	--
- CPFIS Account*

Address: _____ Singapore: _____

Signature: _____ Date: _____

This is only applicable if your shares in SIA Engineering Company are registered with The Central Depository (Pte) Limited.

* Please note that if your shares are held under CPFIS, you can be included in the first option only.

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BUSINESS REPLY SERVICE
PERMIT NO. 04910



The Share Registrar
M & C Services Private Limited
138 Robison Road #17-00
The Corporate Office
Singapore 068906

Postage will
be paid by
addressee.
For posting in
Singapore only.

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Proxy Form - Annual General Meeting

SIA ENGINEERING COMPANY LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 198201025C

1. For investors who have used their CPF monies to buy the Company's shares, this report is forwarded to them at the request of their CPF approved nominees and is sent solely FOR THEIR INFORMATION ONLY.

2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

3. CPF investors who wish to attend the 25th Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company's Registrar. (Please see Note No. 8 on the next page.

*I/We _____ (NRIC / Passport No. _____)
of _____

being a *member/members of SIA Engineering Company Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (No. of Shares)
and/or (delete as appropriate)			

or failing *him/her, the Chairman of the Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to attend and to vote for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM of the Company to be held at Mandarin Ballroom 1, Level 6, South Tower, Meritus Mandarin Singapore, 333 Orchard Road, Singapore 238867 on Friday, 20 July 2007 at 10.00 am and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the AGM shall be *my/our *proxy/proxies to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf at the AGM and at any adjournment thereof.

No.		** For	** Against
Ordinary Business			
1.	Adoption of the Directors' Report, Audited Financial Statement and the Auditors' Report		
2.	Declaration of ordinary dividend		
3.	Re-election of Director retiring by rotation pursuant to Article 83 of the Articles of Association of the Company: 3.1 Mr Tan Bian Ee		
4.	Re-election of Directors retiring pursuant to Article 90 of the Articles of Association of the Company: 4.1 Mr Paul Chan Kwai Wah 4.2 Mr Andrew Lim Ming-Hui		
5.	Approval of Directors' Fees for the year ended 31 March 2007		
6.	Re-appointment and remuneration of Auditors		
Special Business			
7.1	Authority for Directors to issue shares or make or grant offers, agreements or option requiring shares to be issued		
7.2	Authority for Directors to offer and grant options and issue shares in accordance with the provisions of the SIAEC Employee Share Option Plan and/or to grant awards and issue shares in accordance with the provisions of the SIAEC Performance Share Plan and SIAEC Restricted Share Plan		
7.3	To approve the proposed renewal of the Mandate for Interested Person Transactions		
8.	Any other business		

* Delete accordingly

** Please indicate your vote "For" or "Against" with a "✓" within the box provided

Dated this _____ day of _____ 2007

Total number of Ordinary Shares held

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT
Please read Notes on the reverse.

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NOTES:-

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member appoints two proxies, he must specify the proportion of his shareholding to be represented by each proxy, failing which the appointments will be deemed to have been made in the alternative.
3. The instrument appointing a proxy must be signed by the appointor or his duly authorised attorney or if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
4. A corporation which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act (Cap. 50), to attend and vote on its behalf.
5. The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at M & C Services Private Limited at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, at least 48 hours before the time appointed for the AGM.
6. A member should insert the total number of Ordinary Shares held. If the member has Ordinary Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act (Cap. 50), he should insert that number of Ordinary Shares. If the member has Ordinary Shares registered in his name in the Register of Members, he should insert that number of Ordinary Shares. If the member has Ordinary Shares entered against his name in the Depository Register as well as Ordinary Shares registered in his name in the Register of Members, he should insert the aggregate number of Ordinary Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Ordinary Shares held by the member.
7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose Ordinary Shares are entered in the Depository Register, the Company shall be entitled to reject this instrument of proxy which has been lodged if such member is not shown to have Ordinary Shares entered against his name in the Depository Register at least 48 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
8. Agent Banks acting on the request of the CPF investors who wish to attend the meeting as observers are requested to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and number of Ordinary Shares held. The list, signed by an authorised signatory of the relevant Agent Bank, should reach the Company's Registrar, M & C Services Private Limited at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, at least 48 hours before the time appointed for holding the AGM.

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The Company Secretary
SIA Engineering Company
c/o M & C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906

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SIA Engineering Company Limited

31 Airline Road Singapore 819831

E-mail: siaec@singaporeair.com.sg

Website: www.siaec.com.sg

Tel : (65) 6542 3333

Fax: (65) 6546 0679

Company Registration No. 198201025C

Contact Persons

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