SIA ENGINEERING COMPANY

30 July 2004

SIA ENGINEERING GROUP'S FIRST QUARTER NET PROFIT IMPROVES TO $43.7M

HIGHLIGHTS OF THE GROUP'S PERFORMANCE

	1st Qtr 2004-05 (April – June 04)	Change over 1st Qtr 2003-04
	$ Million	%
• Operating profit	33.1	+110.8
• Profit attributable to shareholders	43.7	+90.8
• Basic earnings per share (cents)	4.3	+90.0

GROUP EARNINGS

The Group generated an operating revenue of $201.3 million for the 1st quarter of FY2004-05, an increase of $31.8 million (+18.8%) compared to the corresponding period last year. Line maintenance revenue increased due to a higher number of flights handled at Changi Airport. Revenue from airframe maintenance and component overhaul increased due to higher workload.

Operating expenditure increased 9.4% to $168.2 million, mainly due to increase in staff costs and materials. The increase was partially offset by a writeback of provision for doubtful debts.

Share of profits from our associated companies and joint venture companies rose by 20.3% to $14.8 million. This represents 30.3% of the Group's pre-tax profit.

Note: The SIAEC Group's unaudited financial results for the first quarter ended 30 June 2004 were announced on 30 July 2004. A summary of the financial statistics is shown in Annex A. (All monetary figures are in Singapore Dollars.)

Profit attributable to shareholders for the quarter was $43.7 million (+90.8%). Basic earnings per share for the quarter was 4.3 cents (+90.0%).

GROUP FINANCIAL POSITION (as at 30 June 2004)

Shareholders' funds of the Group stood at $981.0 million, which was $55.2 million (+6.0%) higher than as at 31 March 2004.

Net asset value per share was 97.3 cents as at 30 June 2004, an increase of 5.2 cents compared to 31 March 2004.

Total assets increased $73.3 million (+6.5%) to $1,193.6 million.

OUTLOOK FOR THE 2ND QUARTER

The operating environment is improving, with airlines increasing frequencies and launching new destinations, leading to higher aircraft utilisation. Airlines, however, continue to face mounting pressure on their revenue yields, as such rates are likely to be tight.

Overall, we expect revenue in the second quarter to show some improvement compared to the first quarter.

------End ------

(For the complete 1st Quarter financial statements, please refer to MASNET Filing or the Investor Relations page of our website at www.siaec.com.sg).

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GROUP FINANCIAL STATISTICS

	1st Quarter 2004-05	1st Quarter 2003-04
Financial results ($ million)		
Total revenue	201.3	169.5
Total expenditure	168.2	153.8
Operating profit	33.1	15.7
Non-operating items	0.9	0.9
Share of profits of associated companies	13.2	12.4
Share of profits/(losses) of joint venture companies	1.6	(0.1)
Retrenchment and early retirement costs	-	3.1
Profit before taxation	48.8	25.8
Profit attributable to shareholders	43.7	22.9
Earnings before tax per share (cents)	4.85	2.58
Earnings per share (cents) - basic [R1]	4.35	2.29
- diluted [R2]	4.33	2.28

	As at 30 Jun 2004	As at 31 Mar 2004
Share capital	100.8	100.5
Distributable reserves:		
General reserve	873.0	829.3
Foreign currency translation reserve	(3.6)	(10.4)
Non-distributable reserve:		
Share premium	10.8	6.4
Shareholders' funds	981.0	925.8
Total assets	1,193.6	1,120.3
Net asset value per share (cents) [R3]	97.3	92.1

[R1] Earnings after tax per share (basic) is computed by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue.

[R2] Earnings after tax per share (diluted) is computed by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding share options granted to employees.

[R3] Net asset value is computed by dividing shareholders' funds by the number of ordinary shares in issue.