

UNAUDITED RESULTS FOR THE 3RD QUARTER ENDED 31 DECEMBER 2004

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

**PROFIT AND LOSS ACCOUNTS
FOR THE 3RD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2004 (IN \$ MILLION)**

	The Group		The Group	
	3rd Quarter 2004-05	3rd Quarter 2003-04	9months 2004-05	9months 2003-04
REVENUE	195.3	161.3	603.3	487.3
EXPENDITURE				
Staff costs	94.5	70.7	268.7	193.9
Material costs	50.4	43.6	161.8	127.9
Depreciation	6.0	5.7	17.0	17.2
Company accommodation	9.1	9.7	27.2	29.4
Other operating expenses	22.6	7.0	54.1	46.5
	182.6	136.7	528.8	414.9
OPERATING PROFIT	12.7	24.6	74.5	72.4
Interest income	0.9	0.8	2.6	2.3
Surplus on sale of fixed assets	-	0.1	-	0.1
Dividends from long-term investment	2.5	-	2.5	0.4
Share of profits of associated companies	16.6	10.7	46.8	35.5
Share of profits of joint venture companies	1.2	0.9	5.0	1.3
PROFIT BEFORE EXCEPTIONAL ITEM	33.9	37.1	131.4	112.0
EXCEPTIONAL ITEM				
Gain on sale of long-term investment	9.0	-	9.0	-
Retrenchment and early retirement costs	-	-	-	(3.1)
PROFIT BEFORE TAXATION	42.9	37.1	140.4	108.9
TAXATION	(4.9)	0.8	(15.2)	(9.8)
PROFIT AFTER TAXATION	38.0	37.9	125.2	99.1
Minority interest	(0.1)	-	(0.2)	-
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	37.9	37.9	125.0	99.1

Notes:

(i) Profit after taxation is arrived at after charging/(crediting) the following:

	The Group		The Group	
	3rd Quarter 2004-05	3rd Quarter 2003-04	9months 2004-05	9months 2003-04
	S\$M	S\$M	S\$M	S\$M
Bad debts recovered	-	-	(0.2)	(0.4)
Provision for/(Writeback of) doubtful debts, net	0.7	(4.0)	(3.2)	(0.1)
Exchange loss, net	3.5	2.5	0.4	7.0
Adjustments for overprovision of tax in respect of prior years	-	(0.8)	-	(0.8)

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

BALANCE SHEETS AT 31 DECEMBER 2004 (IN \$ MILLION)

	The Group		The Company	
	31 Dec 2004	31 Mar 2004	31 Dec 2004	31 Mar 2004
SHARE CAPITAL				
Authorised	300.0	300.0	300.0	300.0
Issued and fully paid	101.2	100.5	101.2	100.5
RESERVES				
Distributable				
General reserve	696.6	829.3	575.3	742.1
Foreign currency translation reserve	(18.6)	(10.4)	-	0.1
Non-distributable				
Share premium	17.3	6.4	17.3	6.4
	695.3	825.3	592.6	748.6
SHARE CAPITAL AND RESERVES	796.5	925.8	693.8	849.1
MINORITY INTEREST	2.3	2.1	-	-
DEFERRED TAXATION	11.6	11.6	11.6	11.6
	810.4	939.5	705.4	860.7
Represented by :				
FIXED ASSETS	239.6	207.4	235.7	203.5
SUBSIDIARY COMPANIES	-	-	5.3	5.3
ASSOCIATED COMPANIES	272.6	246.4	165.2	164.4
JOINT VENTURE COMPANIES	52.5	52.6	56.6	56.6
LONG-TERM INVESTMENTS	14.6	17.3	14.6	17.3
CURRENT ASSETS				
Trade and other debtors	45.8	37.4	43.8	36.6
Immediate holding company	50.3	42.0	50.0	41.9
Related parties	21.6	17.7	20.5	16.4
Term-loan due from an investee company	-	2.3	-	2.3
Stocks	7.1	12.4	6.6	11.8
Work-in-progress	24.1	12.4	23.8	12.3
Short-term deposits	234.2	367.6	234.2	367.6
Cash and bank balances	58.7	104.8	57.5	103.6
	441.8	596.6	436.4	592.5
Less:				
CURRENT LIABILITIES				
Trade and other creditors	193.7	166.2	192.3	165.3
Bank loans	0.8	1.0	-	-
Provision for taxation	16.2	13.6	16.1	13.6
	210.7	180.8	208.4	178.9
NET CURRENT ASSETS	231.1	415.8	228.0	413.6
	810.4	939.5	705.4	860.7

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

Amount repayable in one year or less, or on demand

As at 31/12/2004		As at 31/03/2004	
Secured	Unsecured	Secured	Unsecured
-	S\$0.8M	-	S\$1.0M

Amount repayable after one year

As at 31/12/2004		As at 31/03/2004	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Nil

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 3RD QUARTER AND 9 MONTHS ENDED 31 DECEMBER 2004 (IN \$ MILLION)**

	The Group		The Group	
	3rd Qtr 2004-05	3rd Qtr 2003-04	9months 2004-05	9months 2003-04
NET CASH PROVIDED BY OPERATING ACTIVITIES	22.6	17.5	80.9	103.3
CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure	(11.2)	(8.8)	(43.2)	(27.1)
Proceeds from disposal of fixed assets	-	0.1	0.1	0.2
Repayment of loans by investee companies	-	3.5	2.3	3.9
Repayment of loans by associated companies	-	5.1	-	5.1
Repayment of bank loans	-	-	(0.2)	-
Dividends received from investee companies	2.5	-	2.5	0.4
Dividends received from associated companies	9.5	11.3	13.1	14.0
Investments in associated companies	-	(3.7)	(0.8)	(3.7)
Proceeds from capital reduction of a joint venture company	-	-	-	1.1
Proceeds from sale of long-term investment	12.5	-	12.5	-
NET CASH USED IN INVESTING ACTIVITIES	13.3	7.5	(13.7)	(6.1)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from exercise of share options	1.3	2.0	11.6	5.7
Dividends paid	(30.3)	(20.1)	(257.7)	(42.5)
NET CASH USED IN FINANCING ACTIVITIES	(29.0)	(18.1)	(246.1)	(36.8)
NET CASH INFLOW/(OUTFLOW)	6.9	6.9	(178.9)	60.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	288.3	451.0	472.4	399.1
Effect of exchange rate changes	(2.3)	(2.0)	(0.6)	(3.6)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	292.9	455.9	292.9	455.9
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Short-term deposits	234.2	339.6	234.2	339.6
Cash and bank balances	58.7	116.3	58.7	116.3
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	292.9	455.9	292.9	455.9

CASH FLOW FROM OPERATING ACTIVITIES (IN \$ MILLION)

	The Group		The Group	
	3rd Qtr 2004-05	3rd Qtr 2003-04	9months 2004-05	9months 2003-04
Profit before taxation	42.9	37.1	140.4	108.9
Adjustment for:				
Depreciation of fixed assets	6.0	5.7	17.0	17.2
Interest income	(0.9)	(0.8)	(2.6)	(2.3)
Surplus on sale of fixed assets	-	(0.1)	-	(0.1)
Dividend income received from an investee company	(2.5)	-	(2.5)	(0.4)
Share of profits of associated and joint venture companies	(17.8)	(11.6)	(51.8)	(36.8)
Exchange differences	3.5	2.5	0.4	7.0
Gain on sale of long-term investment	(9.0)	-	(9.0)	-
Operating profit before working capital changes	22.2	32.8	91.9	93.5
(Increase)/decrease in debtors	(3.4)	(19.2)	(8.3)	4.4
Decrease/(increase) in stocks and work-in-progress	0.8	4.1	(12.7)	23.1
Increase/(decrease) in creditors	6.6	(4.3)	27.0	(40.7)
(Increase)/decrease in amounts owing from related companies	(1.3)	7.4	(12.2)	28.1
Cash generated from operations	24.9	20.8	85.7	108.4
Interest received from deposits	0.9	0.8	2.6	2.3
Income taxes paid	(3.2)	(4.1)	(7.4)	(7.4)
NET CASH PROVIDED BY OPERATING ACTIVITIES	22.6	17.5	80.9	103.3

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 31 DECEMBER 2004 (IN \$ MILLION)**

The Group	Share capital	Share premium	Foreign currency translation reserve	General reserve	Total
Balance at 1 October 2004	101.1	16.1	(8.8)	689.0	797.4
Share options exercised	0.1	1.2	-	-	1.3
Foreign currency translation differences	-	-	(9.8)	-	(9.8)
Profit attributable to shareholders for the period October – December 2004	-	-	-	37.9	37.9
Dividends	-	-	-	(30.3)	(30.3)
Balance at 31 December 2004	<u>101.2</u>	<u>17.3</u>	<u>(18.6)</u>	<u>696.6</u>	<u>796.5</u>
Balance at 1 October 2003	100.3	4.1	0.3	770.7	875.4
Share options exercised	0.1	1.9	-	-	2.0
Foreign currency translation differences	-	-	(8.2)	-	(8.2)
Profit attributable to shareholders for the period October – December 2003	-	-	-	37.9	37.9
Dividends	-	-	-	(20.1)	(20.1)
Balance at 31 December 2003	<u>100.4</u>	<u>6.0</u>	<u>(7.9)</u>	<u>788.5</u>	<u>887.0</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 31 DECEMBER 2004 (IN \$ MILLION)**

The Company	Share capital	Share premium	Foreign currency translation reserve	General reserve	Total
Balance at 1 October 2004	101.1	16.1	-	576.2	693.4
Share options exercised	0.1	1.2	-	-	1.3
Profit attributable to shareholders for the period October – December 2004	-	-	-	29.4	29.4
Dividends	-	-	-	(30.3)	(30.3)
Balance at 31 December 2004	<u>101.2</u>	<u>17.3</u>	<u>-</u>	<u>575.3</u>	<u>693.8</u>
Balance at 1 October 2003	100.3	4.1	0.2	682.4	787.0
Share options exercised	0.1	1.9	-	-	2.0
Foreign currency translation differences	-	-	(0.1)	-	(0.1)
Profit attributable to shareholders for the period October – December 2003	-	-	-	33.1	33.1
Dividends	-	-	-	(20.1)	(20.1)
Balance at 31 December 2003	<u>100.4</u>	<u>6.0</u>	<u>0.1</u>	<u>695.4</u>	<u>801.9</u>

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

SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY

- (i) The issued and paid-up capital of the Company increased from \$101,137,960 as at 30 September 2004 to \$101,229,180 as at 31 December 2004. The increase is due to new shares allotted and issued pursuant to the exercise of share options granted under the SIA Engineering Company Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees.
- (ii) The movement of share options of the Company during the 3rd quarter from 1 October to 31 December 2004 is as follows:

Date of grant	Balance at 01.10.2004	Cancelled	Exercised	Balance at 31.12.2004	Original Exercise Price	Adjusted Exercise Price*	Exercisable period
28.03.2000	13,945,950	(40,400)	(164,800)	13,740,750	\$2.05	\$1.85	28.03.2001-27.03.2010
03.07.2000	11,883,050	(11,200)	(329,400)	11,542,450	\$1.95	\$1.75	03.07.2001-02.07.2010
02.07.2001	5,987,925	(18,800)	(410,200)	5,558,925	\$1.41	\$1.21	02.07.2002-01.07.2011
01.07.2002	15,806,600	(253,000)	(4,400)	15,549,200	\$2.38	\$2.18	01.07.2003-30.06.2012
01.07.2003	7,336,775	(19,200)	(3,400)	7,314,175	\$1.75	\$1.55	01.07.2004-30.06.2013
01.07.2004	15,283,900	(33,200)	-	15,250,700	\$2.09	\$1.89	01.07.2005-30.06.2014
Total	70,244,200	(375,800)	(912,200)	68,956,200			

* At the extraordinary general meeting held on 26 July 2004, shareholders approved the adjustment to the exercise price of the outstanding share options. The adjustment took effect on 28 July 2004.

- (iii) As at 31 December 2003, the number of share options of the Company outstanding was 63,453,300.

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 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 same accounting policies and methods of computation have been applied.

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			
	3rd Qtr 2004-05	3rd Qtr 2003-04	9 months 2004-05	9 months 2003-04
Earnings per share (cents)				
- Basic *	3.74	3.77	12.38	9.89
- Diluted #	3.71	3.76	12.27	9.85

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

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

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

	Group		Company	
	31 Dec 04	31 Mar 04	31 Dec 04	31 Mar 04
Net asset value per share (cents)	78.7	92.1	68.5	84.5

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

GROUP EARNINGS

Third Quarter 2004-05

The Group generated revenue of \$195.3 million for the quarter ended 31 December 2004, a \$34.0 million (+21.1%) increase compared to the same period last year. This was mainly due to an increase in number of flights handled by line maintenance and higher workload for airframe and component overhaul.

Expenditure increased by 33.6% to \$182.6 million. Material costs and subcontract costs rose in line with higher workload. Staff costs increased by \$23.8 million (+33.7%) mainly due to provision for profit-sharing bonus under the profit-sharing bonus agreement (nil provision in third quarter 2003-04), higher overtime costs and once-off payments to staff under the new collective agreements during third quarter 2004-05. There was also a \$0.7 million provision for doubtful debts in the third quarter of this year compared to a \$4.0 million writeback of provision in the quarter ended 31 December 2003.

As a result, operating profit fell by \$11.9 million (-48.4%) to \$12.7 million.

Profit before taxation increased by \$5.8 million (+15.6%) mainly due to gain on sale of a long-term investment, dividend income received from an investee company and improved performance by our associated and joint venture companies. Share of profits increased by \$6.2 million (+53.4%) to \$17.8 million which represents 41.5% of the Group's pre-tax profits.

Profit attributable to shareholders for the quarter was \$37.9 million. Basic earnings per share was 3.7 cents (-0.8%).

Year-to-date (April-December 2004)

The Group's operating profit for the 9 months ended 31 December 2004 was \$74.5 million, an increase of \$2.1 million (+2.9%) from the corresponding period last year.

Revenue rose by \$116.0 million (+23.8%) to \$603.3 million mainly due to higher workload. Expenditure increased by \$113.9 million (+27.5%) mainly due to higher staff costs, material costs and subcontract costs. Staff costs rose by \$74.8 million (+38.6%) mainly due to provision for profit-sharing bonus (nil provision in the 9 months ended 31 December 2003), higher overtime costs and once-off payments to staff under the new collective agreements during third quarter 2004-05. The increase was partially offset by a higher writeback of provision for doubtful debts and a lower exchange loss.

Profit before taxation increased by a higher amount of \$31.5 million (+28.9%) to \$140.4 million. This was due to a gain on sale of a long-term investment, higher dividend income received from investee companies and higher share of profits from associated and joint venture companies. Share of profits increased by \$15.0 million (+40.8%) to \$51.8 million.

Profit attributable to shareholders was \$125.0 million (+26.1%). Basic earnings per share for the 9 months was 12.4 cents (+25.2%).

GROUP FINANCIAL POSITION (as at 31 December 2004)

As at 31 December 2004, shareholders' funds were \$796.5 million, 14.0% or \$129.3 million lower than the position at 31 March 2004. This was mainly due to the payment of \$227.4 million in August 2004 for the final and special dividend declared in respect of the last financial year.

Total assets decreased by \$99.2 million (-8.9%) to \$1,021.1 million. Net asset value per share was 78.7 cents, a decline of 13.4 cents (-14.5%) compared to 31 March 2004.

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 FOR 4th QUARTER FY2004-05

With the rebound in air traffic and progressive recovery of the aviation industry, the outlook for the maintenance, repair and overhaul (MRO) business is improving.

Volatile fuel prices and intense competition, however, continue to pose significant challenges for airlines.

We expect revenue in the fourth quarter to improve over that of the third quarter.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/ recommended for the quarter ended 31 December 2004.

13. Interested Persons Transactions

Interested Persons Transactions

(In thousands of S\$)

3rd Quarter FY2004-05

Name of interested person	Aggregate value of all IPTs during the quarter under review (excluding transactions less than \$100,000 and transactions pursuant to the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual))	Aggregate value of all IPTs under the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual) during the quarter under review (excluding transactions less than \$100,000)
Singapore Airlines Ltd	–	2,439
Sembcorp Environmental Management Pte Ltd <i>(100% owned by Sembcorp Industries and ultimately to Temasek Holdings)</i>	–	635
Total	–	3,074

BY ORDER OF THE BOARD

Devika Rani Davar
Company Secretary
26 January 2005

Singapore Co. Regn. No.: 198201025C