

Company Registration No: 198201025C



UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 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 (\$ million) for the first quarter ended 30 June 2004

	The Group	
	1st Quarter 2004-05	1st Quarter 2003-04
REVENUE	201.3	169.5
EXPENDITURE		
Staff costs	87.1	63.2
Material costs	55.5	44.3
Depreciation	5.6	5.8
Company accommodation	9.0	9.9
Other operating expenses	11.0	30.6
	168.2	153.8
OPERATING PROFIT	33.1	15.7
Interest income	0.9	0.8
Surplus on sale of fixed assets	-	0.1
Share of profits of associated companies	13.2	12.4
Share of profits/(losses) of joint venture companies	1.6	(0.1)
PROFIT BEFORE EXCEPTIONAL ITEMS	48.8	28.9
EXCEPTIONAL ITEMS		
Retrenchment and early retirement costs	-	(3.1)
PROFIT BEFORE TAXATION	48.8	25.8
TAXATION	(5.0)	(2.9)
PROFIT AFTER TAXATION	43.8	22.9
Minority interest	(0.1)	-
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	43.7	22.9

Notes:

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

	The Group	
	1st Quarter 2004-05	1st Quarter 2003-04
Bad debts recovered	(0.1)	-
(Writeback of)/provision for doubtful debts, net	(2.3)	9.2
Exchange (gain)/loss, net	(5.3)	2.2

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

BALANCE SHEETS AT 30 JUNE 2004 (IN \$ MILLION)

	The Group		The Company	
	30 June 2004	31 March 2004	30 June 2004	31 March 2004
SHARE CAPITAL				
Authorized	300.0	300.0	300.0	300.0
Issued and fully paid	100.8	100.5	100.8	100.5
RESERVES				
Distributable				
General reserve	873.0	829.3	771.9	742.1
Foreign currency translation reserve	(3.6)	(10.4)	-	0.1
Non-distributable				
Share premium	10.8	6.4	10.8	6.4
	880.2	825.3	782.7	748.6
SHARE CAPITAL AND RESERVES	981.0	925.8	883.5	849.1
MINORITY INTEREST	2.1	2.1	-	-
DEFERRED TAXATION	11.6	11.6	11.6	11.6
	994.7	939.5	895.1	860.7
Represented by :				
FIXED ASSETS	207.0	207.4	203.1	203.5
SUBSIDIARY COMPANIES	-	-	5.3	5.3
ASSOCIATED COMPANIES	264.3	246.4	164.4	164.4
JOINT VENTURE COMPANIES	55.3	52.6	56.6	56.6
LONG-TERM INVESTMENTS	17.3	17.3	17.3	17.3
CURRENT ASSETS				
Trade and other debtors	37.1	37.4	35.3	36.6
Immediate holding company	52.2	42.0	52.0	41.9
Related parties	17.0	17.7	16.8	16.4
Term-loan due from an investee company	-	2.3	-	2.3
Stocks	31.6	12.4	31.1	11.8
Work-in-progress	15.7	12.4	15.5	12.3
Short-term deposits	408.9	367.6	408.9	367.6
Cash and bank balances	87.2	104.8	85.7	103.6
	649.7	596.6	645.3	592.5
Less:				
CURRENT LIABILITIES				
Trade and other creditors	180.4	166.2	179.4	165.3
Bank loans	1.0	1.0	-	-
Provision for taxation	17.5	13.6	17.5	13.6
	198.9	180.8	196.9	178.9
NET CURRENT ASSETS	450.8	415.8	448.4	413.6
	994.7	939.5	895.1	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 30/06/2004		As at 31/03/2004	
Secured	Unsecured	Secured	Unsecured
-	S\$1.0M	-	S\$1.0M

Amount repayable after one year

As at 30/06/2004		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 (IN \$ MILLION)
For the first quarter ended 30 June 2004

	The Group	
	1st Quarter 2004-05	1st Quarter 2003-04
NET CASH PROVIDED BY OPERATING ACTIVITIES	19.3	59.5
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(5.3)	(8.3)
Proceeds from disposal of fixed assets	-	0.1
Repayment of loans by an investee company	2.3	-
Proceeds from capital reduction of a joint venture company	-	1.1
NET CASH USED IN INVESTING ACTIVITIES	(3.0)	(7.1)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of new shares	4.7	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	4.7	-
NET CASH INFLOW	21.0	52.4
CASH AND CASH EQUIVALENTS AT 1 APRIL	472.4	399.1
Effect of exchange rate changes	2.7	0.1
CASH AND CASH EQUIVALENTS AT 30 JUNE	496.1	451.6
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	408.9	371.7
Cash and bank balances	87.2	79.9
CASH AND CASH EQUIVALENTS AT 30 JUNE	496.1	451.6

CASH FLOW FROM OPERATING ACTIVITIES (IN \$ MILLION)

	The Group	
	1st Quarter 2004-05	1st Quarter 2003-04
Profit before taxation	48.8	25.8
Adjustment for:		
Income from investments and deposits	(0.9)	(0.8)
Depreciation of fixed assets	5.6	5.8
Share of profits of associated and joint venture companies	(14.8)	(12.3)
Surplus on sale of fixed assets	-	(0.1)
Exchange differences	(5.3)	2.2
Operating profit before working capital changes	33.4	20.6
Decrease in debtors	2.9	12.3
(Increase)/decrease in stocks and work-in-progress	(22.6)	19.3
Increase/(decrease) in creditors	14.2	(1.5)
(Increase)/decrease in amounts owing by related companies	(9.6)	8.0
Cash generated from operations	18.3	58.7
Interest received from deposits	1.0	0.8
NET CASH PROVIDED BY OPERATING ACTIVITIES	19.3	59.5

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

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the first quarter ended 30 June 2004 (in \$ million)**

The Group	Share capital	Share premium	Foreign currency translation reserve	General reserve	Total
Balance at 1 April 2004	100.5	6.4	(10.4)	829.3	925.8
Share options exercised *	0.3	4.4	-	-	4.7
Foreign currency translation differences	-	-	6.8	-	6.8
Profit attributable to shareholders for April – June 2004	-	-	-	43.7	43.7
Balance at 30 June 2004	<u>100.8</u>	<u>10.8</u>	<u>(3.6)</u>	<u>873.0</u>	<u>981.0</u>
Balance at 1 April 2003	100.0	0.8	5.0	731.9	837.7
Foreign currency translation differences	-	-	(0.5)	-	(0.5)
Profit attributable to shareholders for April – June 2003	-	-	-	22.9	22.9
Balance at 30 June 2003	<u>100.0</u>	<u>0.8</u>	<u>4.5</u>	<u>754.8</u>	<u>860.1</u>

* 3,155,000 ordinary shares of \$0.10 par value issued at exercise price of \$1.41, \$1.95 and \$2.05 each pursuant to the Employee Share Option Plan. Share capital and share premium increased by \$316,000 and \$4,397,000 respectively.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
for the first quarter ended 30 June 2004 (in \$ million)

The Company	Share capital	Share premium	Foreign currency translation reserve	General reserve	Total
Balance at 1 April 2004	100.5	6.4	0.1	742.1	849.1
Share options exercised *	0.3	4.4	-	-	4.7
Foreign currency translation differences	-	-	(0.1)	-	(0.1)
Profit attributable to shareholders for April-June 2004	-	-	-	29.8	29.8
Balance at 30 June 2004	<u>100.8</u>	<u>10.8</u>	<u>-</u>	<u>771.9</u>	<u>883.5</u>
Balance at 1 April 2003	100.0	0.8	0.3	659.3	760.4
Profit attributable to shareholders for April-June 2003	-	-	-	11.9	11.9
Balance at 30 June 2003	<u>100.0</u>	<u>0.8</u>	<u>0.3</u>	<u>671.2</u>	<u>772.3</u>

* 3,155,000 ordinary shares of \$0.10 par value issued at exercise price of \$1.41, \$1.95 and \$2.05 each pursuant to the Employee Share Option Plan. Share capital and share premium increased by \$316,000 and \$4,397,000 respectively.

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 \$100,463,190 as at 31 March 2004 to \$100,778,690 as at 30 June 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 first quarter from 1 April to 30 June 2004 is as follows:

Date of grant	Balance at 01.04.2004	Cancelled	Exercised	Balance at 30.06.2004	Exercise Price	Exercisable period
28.03.2000	14,443,950	(156,800)	(19,200)	14,267,950	\$2.05	28.03.2001 to 27.03.2010
03.07.2000	13,459,050	(144,400)	(465,400)	12,849,250	\$1.95	03.07.2001 to 02.07.2010
02.07.2001	11,137,100	(69,900)	(2,670,400)	8,396,800	\$1.41	02.07.2002 to 01.07.2011
01.07.2002	16,169,700	(190,900)	-	15,978,800	\$2.38	01.07.2003 to 30.06.2012
01.07.2003	7,427,300	(33,700)	-	7,393,600	\$1.75	01.07.2004 to 30.06.2013
Total	62,637,100	(595,700)	(3,155,000)	58,886,400		

- (iii) As at 30 June 2003, the number of share options of the Company outstanding was 60,264,200.

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

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

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

Not applicable.

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

The 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	
	1st Quarter 2004-05	1st Quarter 2003-04
Earnings per share (cents)		
- Basic *	4.35	2.29
- Diluted #	4.33	2.28

* 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 share options.

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

	Group		Company	
	As at 30 Jun 04	As at 31 Mar 04	As at 30 Jun 04	As at 31 Mar 04
Net asset value per share (cents)	97.3	92.1	87.7	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

The Group's operating profit for the first quarter April to June 2004 was \$33.1 million, double that of the same period last year.

Revenue rose \$31.8 million (or 18.8%) to \$201.3 million, with increased number of flights handled at Changi Airport and higher airframe and component overhaul workload.

Expenditure increased at a lower rate of 9.4% or \$14.4 million to \$168.2 million. The increase came mainly from the areas of staff costs and material costs, in line with the higher workload, partially offset by a writeback of provision for doubtful debts.

The performance of our associated and joint venture companies similarly improved over the last quarter. Share of profits increased by \$2.5 million (or 20.3%) to \$14.8 million.

Profit before taxation increased \$23.0 million (or 89.1%) to \$48.8 million. After accounting for income tax provision, profit after taxation at \$43.8 million was \$20.9 million or 91.3% higher than the corresponding period last year.

- 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 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.

11. Dividend**(a) Current Financial Period Reported On**

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the quarter ended 30 June 2004.

13. Interested Persons Transactions

Name of interested person	Aggregate value of all IPTs during the financial period 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)	
	1st Quarter 2004-05 S\$'000	1st Quarter 2003-04 S\$'000	1st Quarter 2004-05 S\$'000	1st Quarter 2003-04 S\$'000
Singapore Airlines Limited	-	-	18,623	20,261
NCS Communications Engineering Pte Ltd	-	-	-	493
Total	-	-	18,623	20,754

BY ORDER OF THE BOARD

Devika Rani Davar
Company Secretary
30 July 2004