

**UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2007**

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

**CONSOLIDATED PROFIT AND LOSS ACCOUNTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2007 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2007-08</b>	<b>1st Quarter 2006-07</b>
<b>REVENUE</b>	<b>270.1</b>	<b>248.6</b>
<b>EXPENDITURE</b>		
Staff costs	107.9	91.4
Material costs	70.7	63.9
Depreciation	7.8	6.8
Amortisation of intangibles	1.9	1.8
Company accommodation	10.6	10.2
Other operating expenses	42.0	41.4
	<u>240.9</u>	<u>215.5</u>
<b>OPERATING PROFIT</b>	<b>29.2</b>	<b>33.1</b>
Interest income	3.2	4.4
Surplus on disposal of fixed assets	0.1	*
Dividend received from long-term investment	4.6	4.7
Share of profits of associated companies	29.6	25.4
Share of profits of joint venture companies	11.0	6.9
<b>PROFIT BEFORE TAXATION</b>	<b>77.7</b>	<b>74.5</b>
<b>TAXATION</b>	<b>(7.5)</b>	<b>(8.2)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>70.2</b>	<b>66.3</b>
<b>PROFIT ATTRIBUTABLE TO:</b>		
<b>EQUITY HOLDERS OF THE COMPANY</b>	<b>70.5</b>	<b>66.4</b>
Minority interests	(0.3)	(0.1)
	<u>70.2</u>	<u>66.3</u>
Basic earnings per share (cents)	6.64	6.38
Diluted earnings per share (cents)	6.52	6.25

**Notes:**

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

	<b>The Group</b>	
	<b>1st Quarter 2007-08</b>	<b>1st Quarter 2006-07</b>
	<b>S\$M</b>	<b>S\$M</b>
Bad debts written off / (recovered)	0.3	(0.2)
Provision / (Write-back of provision) for impairment of trade debtors, net	0.2	(0.8)
Exchange (gain) / loss, net	(1.4)	0.8
Adjustment for overprovision of tax in respect of prior year	(0.1)	(0.5)

\* Amount less than \$0.1M

**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 (IN \$ MILLION)**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 Jun 2007</b>	<b>31 Mar 2007</b>	<b>30 Jun 2007</b>	<b>31 Mar 2007</b>
<b>SHARE CAPITAL</b>	216.5	214.5	216.5	214.5
<b>RESERVES</b>				
General reserve	882.4	811.7	595.1	560.4
Share-based compensation reserve	21.5	18.0	21.5	18.0
Foreign currency translation reserve	(42.9)	(47.1)	-	-
	861.0	782.6	616.6	578.4
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	1,077.5	997.1	833.1	792.9
<b>MINORITY INTERESTS</b>	13.1	13.2	-	-
<b>TOTAL EQUITY</b>	1,090.6	1,010.3	833.1	792.9
<b>DEFERRED TAXATION</b>	13.2	13.2	13.1	13.1
	1,103.8	1,023.5	846.2	806.0
Represented by :				
<b>FIXED ASSETS</b>	252.2	250.3	235.4	233.1
<b>INTANGIBLES</b>	13.4	15.3	13.1	14.9
<b>SUBSIDIARY COMPANIES</b>	-	-	16.3	16.3
<b>ASSOCIATED COMPANIES</b>	369.2	339.6	164.7	164.7
<b>JOINT VENTURE COMPANIES</b>	96.4	85.8	56.6	56.6
<b>LONG-TERM INVESTMENTS</b>	14.6	14.6	14.6	14.6
<b>CURRENT ASSETS</b>				
Trade and other debtors	68.0	65.8	60.6	55.3
Immediate holding company	81.0	73.7	78.5	73.6
Related parties	30.1	22.2	24.3	19.1
Stocks	12.9	11.5	10.6	9.2
Work-in-progress	43.2	35.9	43.1	35.9
Short-term deposits	412.2	369.7	407.5	362.3
Cash and bank balances	31.3	30.6	25.6	24.1
	678.7	609.4	650.2	579.5
Less:				
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	269.3	243.4	254.6	228.8
Finance lease commitments				
– repayable within one year	-	1.9	-	-
Bank loans	0.8	0.8	-	-
Current tax payable	50.6	45.4	50.1	44.9
	320.7	291.5	304.7	273.7
<b>NET CURRENT ASSETS</b>	358.0	317.9	345.5	305.8
	1,103.8	1,023.5	846.2	806.0

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

**Amount repayable in one year or less, or on demand**

As at 30/06/2007		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
-	S\$0.8M	S\$1.9M	S\$0.8M

**Amount repayable after one year**

As at 30/06/2007		As at 31/03/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collateral**

The secured borrowings as at 31 Mar 2007 pertains to a finance lease secured over factory premises.

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 FIRST QUARTER ENDED 30 JUNE 2007 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2007-08</b>	<b>1st Quarter 2006-07</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>45.3</b>	<b>64.6</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(10.3)	(11.3)
Purchase of intangible assets	*	(0.3)
Dividends received from associated and joint venture companies	2.1	1.3
Dividend received from long-term investment	4.6	4.7
Proceeds from disposal of fixed assets	*	0.1
Interest received from deposits	1.5	2.2
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2.1)</b>	<b>(3.3)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of share options	1.8	10.0
Interest paid	*	*
Repayment of finance lease obligations	(1.9)	(0.1)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>(0.1)</b>	<b>9.9</b>
<b>NET CASH INFLOW</b>	<b>43.1</b>	<b>71.2</b>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>400.3</b>	<b>500.5</b>
Effect of exchange rate changes	0.1	(0.4)
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>443.5</b>	<b>571.3</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short-term deposits	412.2	522.3
Cash and bank balances	31.3	49.0
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>443.5</b>	<b>571.3</b>

\* Amount less than \$0.1M

## CASH FLOW FROM OPERATING ACTIVITIES (IN \$ MILLION)

	The Group	
	1st Quarter 2007-08	1st Quarter 2006-07
Profit before taxation	77.7	74.5
Adjustments for:		
Depreciation of fixed assets	7.8	6.8
Amortisation of intangibles	1.9	1.8
Share-based payment expense	3.9	1.9
Surplus on disposal of fixed assets	(0.1)	*
Interest income	(3.2)	(4.4)
Interest expense	*	*
Share of profits of associated and joint venture companies	(40.6)	(32.3)
Exchange differences	(1.4)	0.8
Dividend received from long-term investment	(4.6)	(4.7)
<b>Operating profit before working capital changes</b>	<b>41.4</b>	<b>44.4</b>
Increase in debtors	(0.8)	(0.3)
Increase in stocks/work-in-progress	(8.7)	(17.7)
Increase in creditors	26.9	15.0
(Increase) / decrease in amounts owing from related companies	(13.5)	23.2
<b>Cash generated from operations</b>	<b>45.3</b>	<b>64.6</b>
Income taxes paid	*	-
<b>Net cash provided by operating activities</b>	<b>45.3</b>	<b>64.6</b>

\* Amount less than \$0.1M

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

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2007 (IN \$ MILLION)**

<b>The Group</b>	Attributable to Equity Holders of the Company					Minority interests	Total equity
	Share capital	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 1 April 2007	214.5	18.0	(47.1)	811.7	997.1	13.2	1,010.3
Currency translation differences not recognised in the profit and loss account	-	-	4.2	-	4.2	0.2	4.4
Profit for the period April – June 2007	-	-	-	70.5	70.5	(0.3)	70.2
Net income and expense recognised for the period	-	-	4.2	70.5	74.7	(0.1)	74.6
Share-based payment	-	3.9	-	-	3.9	-	3.9
Share options exercised	2.0	(0.2)	-	-	1.8	-	1.8
Share options lapsed	-	(0.2)	-	0.2	-	-	-
Balance at 30 June 2007	216.5	21.5	(42.9)	882.4	1,077.5	13.1	1,090.6

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2007 (IN \$ MILLION)**

<b>The Group</b>	Attributable to Equity Holders of the Company					Minority interests	Total equity
	Share capital	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 1 April 2006	163.1	11.9	(21.7)	885.5	1,038.8	14.1	1,052.9
Currency translation differences not recognised in the profit and loss account	-	-	0.3	-	0.3	-	0.3
Profit for the period April – June 2006	-	-	-	66.4	66.4	(0.1)	66.3
Net income and expense recognised for the period	-	-	0.3	66.4	66.7	(0.1)	66.6
Share-based payment	-	1.9	-	-	1.9	-	1.9
Share options exercised	11.0	(1.0)	-	-	10.0	-	10.0
Share options lapsed	-	(0.2)	-	0.2	-	-	-
Balance at 30 June 2006	174.1	12.6	(21.4)	952.1	1,117.4	14.0	1,131.4

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2007 (IN \$ MILLION)**

<b>The Company</b>	Share capital	Share-based compensation reserve	General reserve	Total
Balance at 1 April 2007	214.5	18.0	560.4	792.9
Profit for the period April – June 2007	-	-	34.5	34.5
Net income recognised for the period	-	-	34.5	34.5
Share-based payment	-	3.9	-	3.9
Share options exercised	2.0	(0.2)	-	1.8
Share options lapsed	-	(0.2)	0.2	-
Balance at 30 June 2007	216.5	21.5	595.1	833.1
Balance at 1 April 2006	163.1	11.9	718.3	893.3
Profit for the period April – June 2006	-	-	37.3	37.3
Net income recognised for the period	-	-	37.3	37.3
Share-based payment	-	1.9	-	1.9
Share options exercised	11.0	(1.0)	-	10.0
Share options lapsed	-	(0.2)	0.2	-
Balance at 30 June 2006	174.1	12.6	755.8	942.5



- 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

### (A) Employee Share Option Plan

- (i) During the period 1 April to 30 June 2007, 1,099,125 shares were exercised under the SIA Engineering Company Limited Employee Share Option Plan, which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees. As at 30 June 2007, options to subscribe for 48,363,863 ordinary shares remain outstanding under the Employee Share Option Plan.
- (ii) The movement of share options of the Company during the first quarter from 1 April to 30 June 2007 is as follows:

No.	Date of grant	Balance at 01.04.2007 / date of grant	Cancelled	Exercised	Balance at 30.06.2007	Exercise Price *	Exercisable period
1.	28.03.2000	2,251,000	(12,800)	(175,500)	2,062,700	\$1.65	28.03.2001-27.03.2010
2.	03.07.2000	2,007,613	(9,200)	(140,300)	1,858,113	\$1.55	03.07.2001-02.07.2010
3.	02.07.2001	1,103,900	(9,200)	(163,000)	931,700	\$1.01	02.07.2002-01.07.2011
4.	01.07.2002	5,871,125	(3,600)	(287,400)	5,580,125	\$1.98	01.07.2003-30.06.2012
5.	01.07.2003	1,788,225	(26,000)	(81,875)	1,680,350	\$1.35	01.07.2004-30.06.2013
6.	01.07.2004	5,792,550	(60,600)	(248,300)	5,483,650	\$1.69	01.07.2005-30.06.2014
7.	01.07.2005	15,844,475	(89,100)	(2,750)	15,752,625	\$2.25	01.07.2006-30.06.2015
8.	03.07.2006	15,072,400	(57,800)	-	15,014,600	\$3.44	03.07.2007-02.07.2016
	Total	49,731,288	(268,300)	(1,099,125)	48,363,863		

\* 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.

- (iv) As at 30 June 2006, the number of share options of the Company outstanding was 54,605,250.

## B. Restricted Share Plan and Performance Share Plan

- (i) At the extraordinary general meeting of the Company held on 25 July 2005, the Company's shareholders approved the adoption of two new share plans, namely the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP"), in addition to the Employee Share Option Plan.
- (ii) As at 30 June 2007, the number of outstanding shares granted under the Company's RSP and PSP were 196,700 (30 June 2006: Nil) and 31,100 (30 June 2006: Nil) respectively.
- (iii) Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded could range between 0% to 120% of the initial grant of the restricted shares and between 0% to 150% of the initial grant of the performance shares.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared to the audited financial statements as at 31 March 2007.

### 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 2007-08	1st Quarter 2006-07
Earnings per share (cents)		
- Basic *	6.64	6.38
- Diluted #	6.52	6.25

\* 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	
	As at 30 Jun 07	As at 31 Mar 07	As at 30 Jun 07	As at 31 Mar 07
Net asset value per share (cents)	101.4	93.9	78.4	74.7

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 posted a profit attributable to equity holders of \$70.5 million in the first quarter of FY2007-08. Associated and joint venture companies continued to perform well, contributing a substantial 52.3% to the quarter's pre-tax profits.

Revenue grew \$21.5 million (+8.6%) to \$270.1 million. Expenditure increased by a higher rate of 11.8% mainly due to higher staff and material costs. This resulted in a 11.8% decrease in operating profit to \$29.2 million.

The increase in revenue in the first quarter of FY2007-08 was generated from all core activities of the Group. Airframe Maintenance and Component Overhaul revenue grew by 7.8% from increased workload, while Line Maintenance revenue increased by 10.4% with more flights handled. With increased business from existing customers, Fleet Management Programme revenue increased by 8.7%.

Compared to the same quarter last year, staff costs were higher mainly because of an under-provision in the profit sharing bonus in the previous year. Material costs were in line with higher operating revenue.

Associated and joint venture companies continued their strong contribution to Group earnings as share of profits increased by 25.7% or \$8.3 million to \$40.6 million. As a result, profit before taxation improved by \$3.2 million to \$77.7 million, an increase of 4.3% over the corresponding period last year.

Profit attributable to equity holders of the Company was \$70.5 million, an increase of 6.2% or \$4.1 million over last year. Basic earnings per share increased by 4.1% to 6.64 cents.

### **GROUP FINANCIAL POSITION (as at 30 June 2007)**

Equity attributable to equity holders of the Company increased to \$1,077.5 million as at 30 June 2007, \$80.4 million higher than as at 31 March 2007. As at 30 June 2007, total number of shares issued was 1,063.0 million.

Total assets increased by \$109.5 million (8.3%) to \$1,424.5 million. Net asset value per share was 101.4 cents, an increase of 7.5 cents (8.0%).

**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**

The demand for aircraft maintenance, repair and overhaul (MRO) services is expected to remain strong for the rest of the financial year, although rates will remain under pressure due to increased competition. The Group expects its joint ventures to continue their contribution to its performance. Going forward, the Company aims to grow its Fleet Management Programme and freighter conversion businesses and expand its customer base, especially in Asia Pacific. The Company is also gearing up for the A380 MRO business with its custom-built hangar scheduled to be completed in early 2008.

**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 2007.

### 13. Interested Persons Transactions

#### Interested Persons Transactions

(In thousands of S\$)

Name of interested person	1st Quarter FY2007-08	
	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	–	4,847
ASPrecise Pte Ltd <i>(66% owned by Temasek eVentures and ultimately by Temasek Holdings)</i>	–	1,280
Keppel Electric Pte Ltd <i>(100% owned by Keppel Engery Pte Ltd which is 100% owned by Keppel Corporation Ltd, which is in turn 31% owned by Temasek Holdings Pte Ltd)</i>	–	1,311
ST Aerospace Supplies Pte Ltd <i>(100% owned by ST Aerospace Ltd which is 100% owned by ST Engineering Ltd)</i>	–	272
Senoko Energy Supply Pte Ltd <i>(100% owned by Senoko Power Limited and ultimately by Temasek Holdings Pte Ltd)</i>	–	2,400
<b>Total</b>	<b>–</b>	<b>10,110</b>

#### BY ORDER OF THE BOARD

Devika Rani Davar  
Company Secretary  
1 August 2007

Singapore Co. Regn. No.: 198201025C

**CONFIRMATION BY THE BOARD**

We, Stephen Lee Ching Yen and Chew Choon Seng, being two directors of SIA Engineering Company Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the first quarter FY 2007/08 financial results to be false or misleading.

On behalf of the Board,



STEPHEN LEE CHING YEN  
Chairman



CHEW CHOON SENG  
Deputy Chairman

1 August 2007