

**UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2008**

**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 2008 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2008-09</b>	<b>1st Quarter 2007-08</b>
<b>REVENUE</b>	<b>250.2</b>	<b>270.1</b>
<b>EXPENDITURE</b>		
Staff costs	116.4	107.9
Material costs	49.6	70.7
Depreciation	9.1	7.8
Amortisation of intangibles	1.4	1.9
Company accommodation	11.2	10.6
Other operating expenses	46.1	42.0
	<u>233.8</u>	<u>240.9</u>
<b>OPERATING PROFIT</b>	<b>16.4</b>	<b>29.2</b>
Interest income	1.9	3.2
Surplus on disposal of fixed assets	*	0.1
Dividend received from long-term investment	3.7	4.6
Share of profits of associated companies	28.3	29.6
Share of profits of joint venture companies	15.3	11.0
	<u>65.6</u>	<u>77.7</u>
<b>PROFIT BEFORE TAXATION</b>	<b>65.6</b>	<b>77.7</b>
<b>TAXATION</b>	<b>(6.4)</b>	<b>(7.5)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>59.2</b>	<b>70.2</b>
<b>PROFIT ATTRIBUTABLE TO:</b>		
<b>EQUITY HOLDERS OF THE COMPANY</b>	<b>58.7</b>	<b>70.5</b>
Minority interests	0.5	(0.3)
	<u>59.2</u>	<u>70.2</u>
Basic earnings per share (cents)	5.46	6.64
Diluted earnings per share (cents)	5.41	6.52

**Notes:**

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

	<b>The Group</b>	
	<b>1st Quarter 2008-09</b>	<b>1st Quarter 2007-08</b>
	<b>S\$M</b>	<b>S\$M</b>
Bad debts written off	-	0.3
Provision for impairment of trade debtors, net	3.4	0.2
Exchange (gain) / loss, net	0.1	(1.4)
Adjustment for overprovision of tax in respect of prior year	*	(0.1)

\* 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 2008</b>	<b>31 Mar 2008</b>	<b>30 Jun 2008</b>	<b>31 Mar 2008</b>
<b>SHARE CAPITAL</b>	247.8	245.0	247.8	245.0
<b>RESERVES</b>				
General reserve	996.2	937.5	659.3	635.4
Share-based compensation reserve	32.1	28.5	32.1	28.5
Foreign currency translation reserve	(96.3)	(88.4)	-	-
Fair value reserve	2.9	2.7	2.9	2.7
	934.9	880.3	694.3	666.6
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	1,182.7	1,125.3	942.1	911.6
<b>MINORITY INTERESTS</b>	15.1	14.8	-	-
<b>TOTAL EQUITY</b>	1,197.8	1,140.1	942.1	911.6
<b>DEFERRED TAXATION</b>	21.9	21.8	18.6	18.6
<b>LONG-TERM LIABILITY</b>				
Finance lease commitments				
- repayable after one year	0.1	0.1	-	-
	1,219.8	1,162.0	960.7	930.2
Represented by :				
<b>FIXED ASSETS</b>	286.3	275.7	268.5	258.0
<b>INTANGIBLES</b>	10.4	11.6	8.6	10.0
<b>SUBSIDIARY COMPANIES</b>	-	-	20.6	20.4
<b>ASSOCIATED COMPANIES</b>	362.6	343.6	164.7	164.7
<b>JOINT VENTURE COMPANIES</b>	102.3	94.4	56.6	56.6
<b>LONG-TERM INVESTMENTS</b>	14.6	14.6	14.6	14.6
<b>LOAN TO SUBSIDIARY COMPANY</b>	-	-	0.7	-
<b>CURRENT ASSETS</b>				
Trade and other debtors	96.1	91.2	79.4	78.4
Immediate holding company	72.1	53.8	69.6	51.2
Related parties	22.4	29.6	18.4	25.2
Stocks	21.4	19.2	17.4	15.6
Work-in-progress	50.4	42.5	46.7	41.2
Short-term deposits	436.4	370.9	435.7	363.5
Cash and bank balances	29.2	66.4	25.5	62.0
	728.0	673.6	692.7	637.1
Less:				
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	258.7	231.1	242.9	211.6
Finance lease commitments				
- repayable within one year	0.1	0.1	-	-
Bank loans	1.1	-	-	-
Current tax payable	24.5	20.3	23.4	19.6
	284.4	251.5	266.3	231.2
<b>NET CURRENT ASSETS</b>	443.6	422.1	426.4	405.9
	1,219.8	1,162.0	960.7	930.2

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

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

As at 30/06/2008		As at 31/03/2008	
Secured	Unsecured	Secured	Unsecured
S\$0.1M	S\$1.1M	S\$0.1M	-

**Amount repayable after one year**

As at 30/06/2008		As at 31/03/2008	
Secured	Unsecured	Secured	Unsecured
S\$0.1M	-	S\$0.1M	-

**Details of any collateral**

The secured borrowings as at 30 Jun 2008 and 31 Mar 2008 pertains to finance leases of equipment and vehicles.

**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 2008 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>1st Quarter 2008-09</b>	<b>1st Quarter 2007-08</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>34.0</b>	<b>45.3</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(19.7)	(10.3)
Purchase of intangible assets	(0.2)	*
Dividends received from associated and joint venture companies	6.9	2.1
Dividend received from long-term investment	3.7	4.6
Proceeds from disposal of fixed assets	*	*
Interest received from deposits	0.8	1.5
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(8.5)</b>	<b>(2.1)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of share options	2.0	1.8
Proceeds from borrowings	1.1	-
Interest paid	*	*
Repayment of finance lease obligations	*	(1.9)
<b>NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES</b>	<b>3.1</b>	<b>(0.1)</b>
<b>NET CASH INFLOW</b>	<b>28.6</b>	<b>43.1</b>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>437.3</b>	<b>400.3</b>
Effect of exchange rate changes	(0.3)	0.1
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>465.6</b>	<b>443.5</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short-term deposits	436.4	412.2
Cash and bank balances	29.2	31.3
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>465.6</b>	<b>443.5</b>

\* Amount less than \$0.1M

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

	The Group	
	1st Quarter 2008-09	1st Quarter 2007-08
Profit before taxation	65.6	77.7
Adjustments for:		
Depreciation of fixed assets	9.1	7.8
Amortisation of intangibles	1.4	1.9
Share-based payment expense	4.4	3.9
Surplus on disposal of fixed assets	*	(0.1)
Interest income	(1.9)	(3.2)
Interest on external borrowings	*	*
Share of profits of associated and joint venture companies	(43.6)	(40.6)
Exchange differences	0.1	(1.4)
Dividend received from long-term investment	(3.7)	(4.6)
<b>Operating profit before working capital changes</b>	<b>31.4</b>	<b>41.4</b>
Increase in debtors	(4.6)	(0.8)
Increase in stocks/work-in-progress	(10.1)	(8.7)
Increase in creditors	27.2	26.9
Increase in amounts owing from related companies	(9.9)	(13.5)
<b>Cash generated from operations</b>	<b>34.0</b>	<b>45.3</b>
Income taxes paid	*	*
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>34.0</b>	<b>45.3</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 2008 (IN \$ MILLION)**

The Group	Attributable to Equity Holders of the Company						Minority interests	Total equity
	Share capital	Fair value reserve	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 1 April 2008	245.0	2.7	28.5	(88.4)	937.5	1,125.3	14.8	1,140.1
Currency translation differences	-	-	-	(7.9)	-	(7.9)	(0.2)	(8.1)
Net fair value changes on cash flow hedges	-	0.2	-	-	-	0.2	-	0.2
Net income and expense not recognised in the profit and loss account	-	0.2	-	(7.9)	-	(7.7)	(0.2)	(7.9)
Profit for the period April – June 2008	-	-	-	-	58.7	58.7	0.5	59.2
Net income and expense recognised for the period	-	0.2	-	(7.9)	58.7	51.0	0.3	51.3
Share-based payment	-	-	4.4	-	-	4.4	-	4.4
Share options exercised	2.8	-	(0.8)	-	-	2.0	-	2.0
Share options lapsed	-	-	*	-	*	*	-	-
Balance at 30 June 2008	247.8	2.9	32.1	(96.3)	996.2	1,182.7	15.1	1,197.8

\* Amount less than \$0.1M

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2008 (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 2008 (IN \$ MILLION)**

<b>The Company</b>	Share capital	Fair value reserve	Share-based compensation reserve	General reserve	Total
Balance at 1 April 2008	245.0	2.7	28.5	635.4	911.6
Net fair value changes on cash flow hedges	-	0.2	-	-	0.2
Net income and expense not recognised in the profit and loss account	-	0.2	-	-	0.2
Profit for the period April – June 2008	-	-	-	23.9	23.9
Net income recognised for the period	-	0.2	-	23.9	24.1
Share-based payment	-	-	4.4	-	4.4
Share options exercised	2.8	-	(0.8)	-	2.0
Share options lapsed	-	-	*	-	*
Balance at 30 June 2008	247.8	2.9	32.1	659.3	942.1
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

\* Amount less than \$0.1M



**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 from 1 April to 30 June 2008, 1,039,925 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.
- (ii) The movement of share options of the Company during the first quarter from 1 April to 30 June 2008 is as follows:

No.	Date of grant	Balance at 01.04.2008 / date of grant	Cancelled	Exercised	Balance at 30.06.2008	Exercise Price*	Exercisable period
1.	28.03.2000	1,469,500	(58,000)	(144,100)	1,267,400	\$1.65	28.03.2001-27.03.2010
2.	03.07.2000	1,487,013	(38,000)	(61,900)	1,387,113	\$1.55	03.07.2001-02.07.2010
3.	02.07.2001	719,600	(30,800)	(31,600)	657,200	\$1.01	02.07.2002-01.07.2011
4.	01.07.2002	4,194,350	(45,200)	(197,100)	3,952,050	\$1.98	01.07.2003-30.06.2012
5.	01.07.2003	1,192,275	(1,800)	(96,800)	1,093,675	\$1.35	01.07.2004-30.06.2013
6.	01.07.2004	4,289,225	(3,600)	(116,725)	4,168,900	\$1.69	01.07.2005-30.06.2014
7.	01.07.2005	8,550,875	(3,600)	(380,950)	8,166,325	\$2.25	01.07.2006-30.06.2015
8.	03.07.2006	14,782,550	(14,400)	(10,750)	14,757,400	\$3.44	03.07.2007-02.07.2016
9.	02.07.2007	15,319,400	(59,200)	-	15,260,200	\$4.67	02.07.2008-01.07.2017
	Total	52,004,788	(254,600)	(1,039,925)	50,710,263		

\* 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.

- (iii) As at 30 June 2008, the number of share options of the Company outstanding was 50,710,263 (30 June 2007: 48,363,863).

## 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) 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.
- (iii) As at 30 June 2008 the number of outstanding shares granted under the Company's RSP and PSP were 434,728 (30 June 2007 :196,700) and 92,300 (30 June 2007 :31,100) respectively. The movement of these share awards during the quarter from 1 April to June 2008 is as follows:

### RSP

No.	Date of grant	Balance at 01.04.2008 / date of grant	Adjustment *	Cancelled	Vested	Balance at 30.06.08
1	03.07.2006	194,900	31,184	(6,235)	(112,721)	107,128
2	02.07.2007	338,300	NA	(10,700)	-	327,600
	Total	533,200	31,184	(16,935)	(112,721)	434,728

\* Adjustment at the end of two-year performance period upon meeting stated performance targets

### PSP

No.	Date of grant	Balance at 01.04.2008 / date of grant	Cancelled	Balance at 30.06.08
1	03.07.2006	31,100	-	31,100
2	02.07.2007	61,200	-	61,200
	Total	92,300	-	92,300

## 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 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 2008.

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 2008-09	1st Quarter 2007-08
Earnings per share (cents)		
- Basic *	5.46	6.64
- Diluted #	5.41	6.52

\* 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 dilutive effect of 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 08	As at 31 Mar 08	As at 30 Jun 08	As at 31 Mar 08
Net asset value per share (cents)	110.0	104.7	87.6	84.9

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 achieved a profit attributable to equity holders of \$58.7 million, a decrease of 16.7% or \$11.8 million from the corresponding period last year. Associated and joint venture companies continued their strong performance with profits increasing by 7.4% or \$3.0 million to \$43.6 million. This represents a contribution of 66.6% to the Group's pre-tax profits.

Revenue declined \$19.9 million (-7.4%) to \$250.2 million. Airframe Maintenance and Component Overhaul revenue decreased by 17.6% due mainly to lower material usage and component work. The decrease was partially offset by higher Line Maintenance revenue with more flights handled and a turnkey project to redesign, retrofit and overhaul a B747-400.

Expenditure fell 2.9% or \$7.1 million to \$233.8 million mainly because of lower material costs, in line with the lower revenue. This was partially offset by the cost of subcontract services which rose as specialised services were needed for the turnkey project.

The resulting operating profit of \$16.4 million was 43.8% or \$12.8 million lower than the same quarter last year.

#### **GROUP FINANCIAL POSITION (as at 30 June 2008)**

As at 30 June 2008, equity attributable to equity holders of the Company amounted to \$1,182.7 million, 5.1% or \$57.4 million higher than at 31 March 2008.

Total assets increased by 6.4% or \$90.7 million to \$1,504.2 million. Net asset value per share of 110.0 cents was 5.1% or 5.3 cents higher than at 31 March 2008. The total number of shares issued was 1,075.5 million as at 30 June 2008.

The Group has a cash balance of \$465.6 million as at 30 June 2008, an increase of 6.5% or \$28.3 million compared to 31 March 2008 mainly from profits made during the quarter.

#### **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**

In the face of a weak global economy and surging fuel prices, airlines are taking measures to cut operating costs. Against this backdrop, there will be pressure on rates and business volumes. Cost management will continue to receive attention.

The Company's joint ventures, forged with leading equipment manufacturers and strategic partners offering proprietary specialists services, are expected to provide their steady contributions to the Group's profitability.

Notwithstanding the prevailing environment, the Company remains committed to its growth strategy of establishing a presence beyond Singapore and broadening its capabilities. All of these will strengthen our international competitiveness and position us to capture a larger share of the global MRO market over the longer term.

#### **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/recommendeded, a statement to that effect.**

No dividend has been declared/recommendeded for the quarter ended 30 June 2008.

**13. Additional Information**

**Interested Persons Transactions**

(In thousands of S\$)

Name of interested person	1st Quarter FY2008-09	
	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)
Tiger Airways Pte Ltd <i>(100% owned by Tiger Aviation Group which is 49% owned by Singapore Airlines Limited and 11% owned by Temasek Holdings Pte Ltd)</i>	–	9,935
Virgin Atlantic Airways Ltd <i>(49% owned by Singapore Airlines Limited)</i>	–	1,804
Senoko Energy Supply Pte Ltd <i>(100% owned by Temasek Holdings Pte Ltd)</i>	–	3,235
<b>Total</b>	<b>–</b>	<b>14,974</b>

**BY ORDER OF THE BOARD**

Devika Rani Davar  
Company Secretary  
24 July 2008

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 FY2008/09 financial results to be false or misleading.

On behalf of the Board,



STEPHEN LEE CHING YEN  
Chairman



CHEW CHOON SENG  
Deputy Chairman

24 July 2008