

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2010

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

**CONSOLIDATED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (IN \$ MILLION)**

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
REVENUE	288.3	244.2
EXPENDITURE		
Staff costs	113.7	102.3
Material costs	65.6	53.4
Depreciation	9.3	8.6
Amortisation of intangible assets	0.3	1.5
Company accommodation	11.5	10.7
Subcontract costs	28.0	29.0
Other operating expenses	23.7	26.4
	252.1	231.9
OPERATING PROFIT	36.2	12.3
Interest income	0.4	0.3
Interest on external borrowings	*	*
Surplus/ (loss) on disposal of property, plant and equipment	*	(0.1)
Dividend from long-term investment	4.1	3.9
Other non-operating items	2.6	-
Share of profits of joint venture companies	19.0	16.4
Share of profits of associated companies	20.2	19.2
PROFIT BEFORE TAXATION	82.5	52.0
TAXATION	(10.8)	(6.6)
PROFIT FOR THE PERIOD	71.7	45.4
PROFIT ATTRIBUTABLE TO:		
SHAREHOLDERS OF THE COMPANY	70.8	45.1
Non-controlling interests	0.9	0.3
	71.7	45.4
Basic earnings per share (cents)	6.54	4.18
Diluted earnings per share (cents)	6.48	4.17

* Amount less than \$0.1M

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

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
	\$M	\$M
Provision for impairment of trade debtors, net	1.2	0.5
Exchange loss, net	0.3	6.1
Underprovision of tax in respect of prior year	0.4	1.1
Provision for stock obsolescence	0.6	*

* Amount less than \$0.1M

1(a)(i) Consolidated Statement of Comprehensive Income

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 30 JUNE 2010 (IN \$ MILLION)**

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
PROFIT FOR THE PERIOD	71.7	45.4
OTHER COMPREHENSIVE (EXPENSE)/ INCOME		
Foreign currency translation	(0.5)	(36.3)
Net fair value adjustment on cash flow hedges	*	2.5
Total other comprehensive expense, net of tax	(0.5)	(33.8)
TOTAL COMPREHENSIVE INCOME	71.2	11.6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
SHAREHOLDERS OF THE COMPANY	70.4	12.3
Non-controlling interests	0.8	(0.7)
	71.2	11.6

* Amount less than \$0.1M

	The Company	
	1st Quarter 2010-11	1st Quarter 2009-10
PROFIT FOR THE PERIOD	86.3	35.5
OTHER COMPREHENSIVE INCOME		
Net fair value adjustment on cash flow hedges	*	2.5
TOTAL COMPREHENSIVE INCOME	86.3	38.0

* 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)

	The Group		The Company	
	30 Jun 2010	31 Mar 2010	30 Jun 2010	31 Mar 2010
SHARE CAPITAL	267.3	262.9	267.3	262.9
RESERVES				
General reserve	1,107.0	1,036.1	808.4	722.0
Share-based compensation reserve	46.2	45.4	46.2	45.4
Foreign currency translation reserve	(80.2)	(79.8)	-	-
Fair value reserve	0.2	0.2	0.2	0.2
	<u>1,073.2</u>	<u>1,001.9</u>	<u>854.8</u>	<u>767.6</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	1,340.5	1,264.8	1,122.1	1,030.5
NON-CONTROLLING INTERESTS	27.7	26.9	-	-
TOTAL EQUITY	<u>1,368.2</u>	<u>1,291.7</u>	<u>1,122.1</u>	<u>1,030.5</u>
DEFERRED TAXATION	28.3	28.1	24.1	24.0
LONG-TERM LIABILITY				
Finance lease commitments				
- repayable after one year	*	*	-	-
	<u>1,396.5</u>	<u>1,319.8</u>	<u>1,146.2</u>	<u>1,054.5</u>
Represented by :				
PROPERTY, PLANT AND EQUIPMENT	318.1	315.5	280.4	278.2
INTANGIBLE ASSETS	28.0	16.8	2.2	2.3
SUBSIDIARY COMPANIES	-	-	65.6	52.1
ASSOCIATED COMPANIES	347.9	362.6	179.3	178.2
JOINT VENTURE COMPANIES	107.6	108.2	56.6	56.6
LONG-TERM INVESTMENTS	14.6	14.6	14.6	14.6
CURRENT ASSETS				
Trade and other debtors	88.1	85.8	67.8	69.0
Immediate holding company	79.2	109.8	77.9	108.3
Related parties	39.8	28.5	34.8	23.2
Inventories	52.8	49.5	41.9	39.4
Work-in-progress	59.2	43.9	57.1	42.5
Short-term deposits	465.4	374.4	464.4	367.6
Cash and bank balances	65.6	51.4	50.3	42.6
	<u>850.1</u>	<u>743.3</u>	<u>794.2</u>	<u>692.6</u>
Less:				
CURRENT LIABILITIES				
Trade and other creditors	243.8	217.2	221.8	197.0
Finance lease commitments				
- repayable within one year	*	*	-	-
Bank loans	-	-	-	-
Current tax payable	26.0	24.0	24.9	23.1
	<u>269.8</u>	<u>241.2</u>	<u>246.7</u>	<u>220.1</u>
NET CURRENT ASSETS	<u>580.3</u>	<u>502.1</u>	<u>547.5</u>	<u>472.5</u>
	<u>1,396.5</u>	<u>1,319.8</u>	<u>1,146.2</u>	<u>1,054.5</u>

* Amount less than \$0.1M

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

Amount repayable in one year or less, or on demand

As at 30/06/2010		As at 31/03/2010	
Secured	Unsecured	Secured	Unsecured
*	-	*	-

Amount repayable after one year

As at 30/06/2009		As at 31/03/2010	
Secured	Unsecured	Secured	Unsecured
*	-	*	-

* Amount less than \$0.1M

Details of any collateral

The secured borrowings as at 30 June 2010 and 31 March 2010 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 2010 (IN \$ MILLION)**

The Group	
1st Quarter 2010-11	1st Quarter 2009-10

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	82.5	52.0
Adjustments for:		
Depreciation	9.3	8.6
Amortisation of intangible assets	0.3	1.5
Share-based payment expense	1.7	3.4
(Surplus)/ loss on disposal of property, plant and equipment	*	0.1
Interest income	(0.4)	(0.3)
Interest on external borrowings	*	*
Share of profits of associated and joint venture companies	(39.2)	(35.6)
Exchange differences	0.3	6.1
Dividend received from long-term investment	(4.1)	(3.9)
Operating profit before working capital changes	50.4	31.9
(Increase)/ Decrease in debtors	(2.3)	8.0
Increase in inventories / work-in-progress	(18.7)	(19.7)
Increase in creditors	26.7	20.2
Decrease in amounts owing from related companies	19.5	7.4
Cash generated from operations	75.6	47.8
Income taxes paid	(3.9)	(3.0)
NET CASH PROVIDED BY OPERATING ACTIVITIES	71.7	44.8

CASH FLOW FROM INVESTING ACTIVITIES

Capital expenditure	(11.9)	(12.7)
Purchase of intangible assets	(11.6)	(0.9)
Dividends received from associated and joint venture companies	50.8	23.0
Dividend received from long-term investment	4.1	3.9
Proceeds from disposal of property, plant and equipment	*	*
Interest received from deposits	0.3	0.3
Investment in an associated company	(1.1)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	30.6	13.6

* Amount less than \$0.1M

**CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (IN \$ MILLION)**

	The Group	
	1st Quarter 2010-11	1st Quarter 2009-10
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	3.6	0.9
Proceeds from issuance of share capital by subsidiary company to minority shareholders	-	1.0
Net (repayment of)/ proceeds from borrowings	-	(0.5)
Interest paid	*	*
Repayment of finance lease obligations	*	*
Dividends paid by subsidiary company to non-controlling interests	-	(0.1)
NET CASH PROVIDED BY FINANCING ACTIVITIES	3.6	1.3
NET CASH INFLOW	105.9	59.7
CASH AND CASH EQUIVALENTS AT 1 APRIL	425.8	372.5
Effect of exchange rate changes	(0.7)	(1.0)
CASH AND CASH EQUIVALENTS AT 30 JUNE	531.0	431.2
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	465.4	360.6
Cash and bank balances	65.6	70.6
CASH AND CASH EQUIVALENTS AT 30 JUNE	531.0	431.2

* 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 2010 (IN \$ MILLION)**

The Group	Attributable to Equity Holders of the Company						Non-controlling interests	Total equity
	Share capital	Fair value reserve	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 1 April 2010	262.9	0.2	45.4	(79.8)	1,036.1	1,264.8	26.9	1,291.7
Total comprehensive (expense)/ income for the period April – June 2010	-	*	-	(0.4)	70.8	70.4	0.8	71.2
Share-based payment	-	-	1.7	-	-	1.7	-	1.7
Share options exercised	4.4	-	(0.8)	-	-	3.6	-	3.6
Share options lapsed	-	-	(0.1)	-	0.1	-	-	-
Balance at 30 June 2010	<u>267.3</u>	<u>0.2</u>	<u>46.2</u>	<u>(80.2)</u>	<u>1,107.0</u>	<u>1,340.5</u>	<u>27.7</u>	<u>1,368.2</u>
Balance at 1 April 2009	255.6	(1.8)	39.6	(36.4)	971.9	1,228.9	26.5	1,255.4
Total comprehensive income/ (expense) for the period April – June 2009	-	2.5	-	(35.3)	45.1	12.3	(0.7)	11.6
Capital contribution	-	-	-	-	-	-	1.0	1.0
Share-based payment	-	-	3.4	-	-	3.4	-	3.4
Share options exercised	1.0	-	(0.1)	-	-	0.9	-	0.9
Share options lapsed	-	-	*	-	*	-	-	-
Dividends	-	-	-	-	-	-	(0.1)	(0.1)
Balance at 30 June 2009	<u>256.6</u>	<u>0.7</u>	<u>42.9</u>	<u>(71.7)</u>	<u>1,017.0</u>	<u>1,245.5</u>	<u>26.7</u>	<u>1,272.2</u>

* Amount less than \$0.1M

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2010 (IN \$ MILLION)**

The Company	Share capital	Fair value reserve	Share-based compensation reserve	General reserve	Total
Balance at 1 April 2010	262.9	0.2	45.4	722.0	1,030.5
Total comprehensive income for the period April – June 2010	-	*	-	86.3	86.3
Share-based payment	-	-	1.7	-	1.7
Share options exercised	4.4	-	(0.8)	-	3.6
Share options lapsed	-	-	(0.1)	0.1	-
Balance at 30 June 2010	<u>267.3</u>	<u>0.2</u>	<u>46.2</u>	<u>808.4</u>	<u>1,122.1</u>
Balance at 1 April 2009	255.6	(1.8)	39.6	626.6	920.0
Total comprehensive income for the period April – June 2009	-	2.5	-	35.5	38.0
Share-based payment	-	-	3.4	-	3.4
Share options exercised	1.0	-	(0.1)	-	0.9
Share options lapsed	-	-	*	*	-
Balance at 30 June 2009	<u>256.6</u>	<u>0.7</u>	<u>42.9</u>	<u>662.1</u>	<u>962.3</u>

* 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 SHARE PLANS IN THE COMPANY

(A) Share Capital

- (i) The number of ordinary shares in issue, excluding treasury shares, as at the end of the current financial period and as at the end of immediately preceding year, was as follows:

As at 30 June 2010	As at 31 March 2010
1,083,225,460	1,081,468,197

- (ii) A statement showing all sales, transfer, transfer, disposal, cancellation and/or use of treasury shares as at the end of current financial period reported on.

Not applicable

(B) Employee Share Option Plan

- (i) During the period from April 2010 to June 2010, 1,757,263 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 2010 to 30 June 2010 is as follows:

No.	Date of grant	Balance at 01.04.2010	Cancelled	Exercised	Balance at 30.06.2010	Exercise Price*	Exercisable period
1.	28.03.2000	-	-	-	-	\$1.65	28.03.2001-27.03.2010
2.	03.07.2000	659,113	(3,600)	(605,913)	49,600	\$1.55	03.07.2001-02.07.2010
3.	02.07.2001	308,600	(3,600)	(29,400)	275,600	\$1.01	02.07.2002-01.07.2011
4.	01.07.2002	3,244,000	(3,600)	(161,200)	3,079,200	\$1.98	01.07.2003-30.06.2012
5.	01.07.2003	744,400	-	(54,500)	689,900	\$1.35	01.07.2004-30.06.2013
6.	01.07.2004	3,347,025	-	(274,150)	3,072,875	\$1.69	01.07.2005-30.06.2014
7.	01.07.2005	6,957,925	-	(298,050)	6,659,875	\$2.25	01.07.2006-30.06.2015
8.	03.07.2006	13,383,650	(26,000)	(328,450)	13,029,200	\$3.44	03.07.2007-02.07.2016
9.	02.07.2007	14,783,650	(42,400)	(5,600)	14,735,650	\$4.67	02.07.2008-01.07.2017
10.	01.07.2008	13,238,000	(39,600)	-	13,198,400	\$3.74	01.07.2010-30.06.2018
	Total	56,666,363	(118,800)	(1,757,263)	54,790,300		

* 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 2010, the number of share options of the Company outstanding was 54,790,300 (30 June 2009: 60,703,588).

(C) 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 150% of the initial grant of the restricted shares and between 0% to 200% of the initial grant of the performance shares.

- (iii) As at 30 June 2010 the number of outstanding shares granted under the Company's RSP and PSP were 1,835,137 (30 June 2009 : 1,294,528) and 292,500 (30 June 2009 : 220,800) respectively. The movement of these share awards during the quarter from April to June 2010 is as follows:

RSP

No.	Date of grant	Balance at 01.04.2010	Adjustment *	Cancelled	Released	Balance at 30.06.2010
1	03.07.2006	50,733	-	-	-	50,733
2	02.07.2007	144,504	-	-	-	144,504
3	01.07.2008	833,100	-	-	-	833,100
4	01.07.2009	708,800	-	-	-	708,800
5	13.07.2009	98,000	-	-	-	98,000
	Total	1,835,137	-	-	-	1,835,137

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

PSP

No.	Date of grant	Balance at 01.04.2010	Adjustment *	Cancelled	Released	Balance at 30.06.2010
1	03.07.2006	-	-	-	-	-
2	02.07.2007	61,200	-	-	-	61,200
3	01.07.2008	128,500	-	-	-	128,500
4	13.07.2009	102,800	-	-	-	102,800
	Total	292,500	-	-	-	292,500

* Adjustment at the end of the three-year performance period upon meeting stated performance targets.

- 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 2010 except for the adoption of the Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are mandatory for financial year beginning on or after 1 January 2010. The adoption of these FRS and INT FRS has no significant impact to the Group.

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 2010-11	1st Quarter 2009-10
Earnings per share (cents)		
- Basic *	6.54	4.18
- Diluted #	6.48	4.17

* 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 10	As at 31 Mar 10	As at 30 Jun 10	As at 31 Mar 10
Net asset value per share (cents)	123.8	117.0	103.6	95.3

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

In tandem with the recovery in the aviation industry, SIAEC Group recorded a profit attributable to shareholders of the Company of \$70.8 million, an increase of \$25.7 million or 57.0% from the same quarter last year.

Revenue rose \$44.1 million or 18.1% to \$288.3 million over the same period last year. This was primarily contributed by airframe maintenance and component overhaul work and fleet management programme revenue. Expenditure increased by a lower \$20.2 million or 8.7% to \$252.1 million mainly reflecting higher material and staff costs to support the increase in maintenance, repair and overhaul work.

The resulting operating profit of \$36.2 million was \$23.9 million higher compared to the first quarter last year.

Contributions from our associated and joint venture companies also increased \$3.6 million or 10.1% to \$39.2 million.

Basic earnings per share was 6.54 cents for the quarter ended 30 June 2010, an increase of 2.36 cents per share over the same period last year.

GROUP FINANCIAL POSITION

As at 30 June 2010, equity attributable to shareholders of the Company amounted to \$1,340.5 million, \$75.7 million or 6.0% higher than at 31 March 2010.

Total assets increased by \$105.3 million or 6.7% to \$1,666.3 million. Net asset value per share of 123.8 cents was 6.8 cents or 5.8% higher than at 31 March 2010. The total number of shares issued was 1,083.2 million as at 30 June 2010.

The Company has no borrowings and the cash balance of the Group as at 30 June 2010 was \$531.0 million, an increase of \$105.2 million or 24.7% compared to 31 March 2010.

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

With the recovery of the aviation industry, the growth of traffic at Changi and the increased utilisation of aircraft by our customers are expected to have a favourable impact on the Company's maintenance, repair and overhaul (MRO) business. The Company's joint ventures have also started to recover, albeit at a more gradual pace.

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 2010.

13. Additional Information

Interested Person Transactions

(In thousands of S\$)

Name of interested person	1st Quarter FY10/11	
	Aggregate value of all new non-mandated IPTs entered into during the quarter under review (excluding transactions less than \$100,000)	Aggregate value of all new mandated IPTs under the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual) entered into during the quarter under review (excluding transactions less than \$100,000)
SilkAir (Singapore) Pte Ltd	–	300,000
SMRT Taxis Pte Ltd	–	552
Total	–	300,552

BY ORDER OF THE BOARD

Devika Rani Davar
Company Secretary
23 July 2010

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 FY2010/11 financial results to be false or misleading.

On behalf of the Board,



STEPHEN LEE CHING YEN
Chairman



CHEW CHOON SENG
Deputy Chairman

23 July 2010