



AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2004

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

STATEMENT OF PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2004 (in \$ million)

	The Group		The Group	
	4th Quarter 2003-04 S\$M	4th Quarter 2002-03 S\$M	2003-04 S\$M	2002-03 S\$M
REVENUE	191.4	218.7	678.7	878.1
EXPENDITURE				
Staff costs	91.9	92.5	285.8	338.4
Material costs	53.8	54.3	181.7	242.3
Depreciation	5.7	6.0	22.9	23.0
Company accommodation	9.7	9.9	39.1	39.8
Other operating expenses	23.8	23.1	70.3	93.6
	184.9	185.8	599.8	737.1
OPERATING PROFIT	6.5	32.9	78.9	141.0
Interest income	0.8	0.8	3.1	3.7
Surplus on sale of fixed assets	0.7	-	0.8	0.5
Dividend from long-term investment	-	-	0.4	0.4
Share of profits of associated companies	10.4	18.1	45.9	69.0
Share of profits of joint venture companies	1.6	0.6	2.9	1.8
PROFIT BEFORE EXCEPTIONAL ITEM	20.0	52.4	132.0	216.4
Exceptional item	-	-	(3.1)	-
PROFIT BEFORE TAXATION	20.0	52.4	128.9	216.4
TAXATION	20.9	(0.7)	11.1	(11.1)
PROFIT AFTER TAXATION	40.9	51.7	140.0	205.3
Minority interest	(0.1)	-	(0.1)	(0.1)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	40.8	51.7	139.9	205.2

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

	The Group		The Group	
	4th Quarter	4th Quarter	2003-04	2002-03
	2003-04	2002-03		
	S\$M	S\$M	S\$M	S\$M
Bad debts recovered	(0.2)	(0.4)	(0.6)	(1.6)
Exchange loss/(gain), net	1.8	(3.2)	8.8	5.6
Adjustment for over-provision for tax in respect of prior years:				
- effects of reduction in Singapore Corporate tax rate	(1.0)	(2.7)	(1.0)	(2.7)
- over-provision in relation to prior years	(6.4)	(4.6)	(7.2)	(4.6)
Provision for obsolete stock, net	1.5	1.7	1.5	1.7
Provision for doubtful debts, net	0.8	2.4	0.7	4.3
Exceptional item:				
- retrenchment and early retirement costs	-	-	3.1	-

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 MARCH

(in \$ million)

	The Group		The Company	
	31 March 2004 S\$M	31 March 2003 S\$M	31 March 2004 S\$M	31 March 2003 S\$M
SHARE CAPITAL				
Authorized	300.0	300.0	300.0	300.0
Issued and fully paid	100.4	100.0	100.4	100.0
RESERVES				
Distributable				
General reserve	829.3	731.9	742.1	659.3
Foreign currency translation reserve	(10.4)	5.0	0.1	0.3
Non-distributable				
Share premium	6.4	0.8	6.4	0.8
	825.3	737.7	748.6	660.4
SHARE CAPITAL AND RESERVES	925.7	837.7	849.0	760.4
MINORITY INTEREST	2.1	2.0	-	-
DEFERRED TAXATION	11.6	10.7	11.6	10.7
	939.4	850.4	860.6	771.1
Represented by :				
FIXED ASSETS	207.4	194.8	203.5	190.6
SUBSIDIARY COMPANIES	-	-	5.3	5.3
ASSOCIATED COMPANIES	246.4	244.4	164.4	160.7
JOINT VENTURE COMPANIES	52.6	52.6	56.6	57.5
LONG-TERM INVESTMENTS	17.3	23.6	17.3	23.6
CURRENT ASSETS				
Trade and other debtors	37.3	50.6	36.6	49.5
Immediate holding company	42.0	58.5	41.9	58.3
Related parties	17.7	24.5	16.4	24.6
Term-loan due from an investee company	2.3	0.9	2.3	0.9
Stocks	12.4	13.1	11.8	12.2
Work-in-progress	12.4	27.7	12.2	27.0
Short-term deposits	367.6	338.3	367.6	338.3
Cash and bank balances	104.8	60.8	103.6	59.6
	596.5	574.4	592.4	570.4
Less:				
CURRENT LIABILITIES				
Trade and other creditors	166.2	218.3	165.3	216.9
Bank loans	1.0	1.0	-	-
Provision for taxation	13.6	20.1	13.6	20.1
	180.8	239.4	178.9	237.0
NET CURRENT ASSETS	415.7	335.0	413.5	333.4
	939.4	850.4	860.6	771.1

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

Amount repayable in one year or less, or on demand

As at 31/03/2004		As at 31/03/2003	
Secured	Unsecured	Secured	Unsecured
-	S\$1.0M	-	S\$1.0M

Amount repayable after one year

As at 31/03/2004		As at 31/03/2003	
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 FINANCIAL YEAR ENDED 31 MARCH
(in \$ million)**

	The Group	
	2003-04	2002-03
	S\$M	S\$M
NET CASH PROVIDED BY OPERATING ACTIVITIES	113.3	181.5
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(35.5)	(28.8)
Proceeds from disposal of fixed assets	0.2	0.5
Investments in associated companies	(3.7)	(13.6)
Investments in joint venture companies	-	(8.0)
Repayment of loans by associated companies	5.1	5.1
Repayment of loans by investee companies	4.6	4.3
Dividend received from an investee company	0.4	0.4
Dividends from associated companies	28.0	22.4
Proceeds from capital reduction of a joint venture company	2.0	-
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	1.1	(17.7)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	6.0	0.9
Dividends paid	(42.5)	(43.0)
NET CASH USED IN FINANCING ACTIVITIES	(36.5)	(42.1)
NET CASH INFLOW	77.9	121.7
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	399.1	280.0
Effect of exchange rate changes	(4.6)	(2.6)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	472.4	399.1
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	367.6	338.3
Cash and bank balances	104.8	60.8
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	472.4	399.1

CASH FLOW FROM OPERATING ACTIVITIES

	The Group	
	2003-04	2002-03
	S\$M	S\$M
Profit before taxation	128.9	216.4
Adjustment for:		
Interest income	(3.1)	(3.7)
Depreciation of fixed assets	22.9	23.0
Share of profits of associated and joint venture companies	(48.8)	(70.8)
Dividend income from an investee company	(0.4)	(0.4)
Surplus on sale of fixed assets	(0.8)	(0.5)
Exchange differences	8.8	5.5
Operating profit before working capital changes	107.5	169.5
Decrease in debtors	7.5	0.4
Decrease/(increase) in stocks and work-in-progress	16.0	(13.7)
(Decrease)/increase in creditors	(31.0)	39.5
Decrease/(increase) in amounts owing from related companies	18.6	(6.1)
Cash generated from operations	118.6	189.6
Interest received from deposits	2.9	3.7
Income taxes paid	(8.2)	(11.8)
NET CASH PROVIDED BY OPERATING ACTIVITIES	113.3	181.5

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.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the financial year ended 31 March 2004
(in \$ million)**

The Group	Share capital	Share premium	Foreign currency translation reserve	General reserve	Total
	S\$M	S\$M	S\$M	S\$M	S\$M
Balance at 31 March 2002	100.0	-	13.0	569.7	682.7
Share options exercised *	-	0.8	-	-	0.8
Foreign currency translation differences	-	-	(8.0)	-	(8.0)
Profit attributable to shareholders for the financial year	-	-	-	205.2	205.2
Dividends	-	-	-	(43.0)	(43.0)
Balance at 31 March 2003	100.0	0.8	5.0	731.9	837.7
Share options exercised #	0.4	5.6	-	-	6.0
Foreign currency translation differences	-	-	(15.4)	-	(15.4)
Profit attributable to shareholders for the financial year	-	-	-	139.9	139.9
Dividends	-	-	-	(42.5)	(42.5)
Balance at 31 March 2004	100.4	6.4	(10.4)	829.3	925.7

* 437,000 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 \$44,000 and \$823,000 respectively.

4,194,900 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 \$419,000 and \$5,549,000 respectively.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the financial year ended 31 March 2004
(in \$ million)

The Company	Share capital	Share premium	Foreign currency translation reserve	General reserve	Total
	S\$M	S\$M	S\$M	S\$M	S\$M
Balance at 31 March 2002	100.0	-	0.8	537.7	638.5
Share options exercised *	-	0.8	-	-	0.8
Foreign currency translation differences	-	-	(0.5)	-	(0.5)
Profit attributable to shareholders for the financial year	-	-	-	164.6	164.6
Dividends	-	-	-	(43.0)	(43.0)
Balance at 31 March 2003	100.0	0.8	0.3	659.3	760.4
Share options exercised #	0.4	5.6	-	-	6.0
Foreign currency translation differences	-	-	(0.2)	-	(0.2)
Profit attributable to shareholders for the financial year	-	-	-	125.3	125.3
Dividends	-	-	-	(42.5)	(42.5)
Balance at 31 March 2004	100.4	6.4	0.1	742.1	849.0

* 437,000 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 \$44,000 and \$823,000 respectively.

4,194,900 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 \$419,000 and \$5,549,000 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 \$100,043,700 as at 31 March 2003 to \$100,463,190 as at 31 March 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) On 1 July 2003, the Company made a fifth grant of share options to employees. 7,526,300 share options were accepted by eligible employees to subscribe for ordinary shares at the price of \$1.75 per share for the exercise period from 1 July 2004 to 30 June 2013. As at 31 March 2004, options to subscribe for 62,637,100 ordinary shares remain outstanding under the Employee Share Option Plan.
- (iii) The movement of share options of the Company during the financial year ended 31 March 2004 is as follows:

Date of grant	Balance at 01.04.2003/ date of grant	Cancelled	Exercised	Balance at 31.03.2004	Exercise Price	Exercisable period
28.03.2000	14,704,750	(257,200)	(3,600)	14,443,950	\$2.05	28.03.2001-27.03.2010
03.07.2000	13,727,650	(173,200)	(95,400)	13,459,050	\$1.95	03.07.2001-02.07.2010
02.07.2001	15,337,000	(104,000)	(4,095,900)	11,137,100	\$1.41	02.07.2002-01.07.2011
01.07.2002	16,531,600	(361,900)	-	16,169,700	\$2.38	01.07.2003-30.06.2012
01.07.2003	7,526,300	(99,000)	-	7,427,300	\$1.75	01.07.2004-30.06.2013
	67,827,300	(995,300)	(4,194,900)	62,637,100		

- (iv) As at 31 March 2003, the number of share options of the Company outstanding was 60,301,000.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have been audited in accordance with Singapore Standards on Auditing.

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

The auditors' report dated 10th May 2004 issued on the financial statements of SIA Engineering Company Limited and its subsidiary companies for the financial year ended 31 March 2004, is reproduced as attached.

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 financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act. In previous years, the financial statements were prepared in accordance with Singapore Statements of Accounting Standard ("SAS"). The transition from SAS to FRS did not result in any significant change in accounting policies.

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.

There was no change in the accounting policies and methods of computation.

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	
	FY 2003-04	FY 2002-03
Earnings per share (cents)		
- Basic *	14.0	20.5
- Diluted #	13.9	20.4

* 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, amounting to 1,006,076,150 (FY 2002-03 : 1,004,962,547).

**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 Mar 04	31 Mar 03	31 Mar 04	31 Mar 03
Net asset value per share (cents)	92.1	83.7	84.5	76.0

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) 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; and

(b) 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 financial year 2003-04 was \$78.9 million, a decrease of \$62.1 million (or 44.0%) from the last financial year.

Revenue decreased by \$199.4 million (or 22.7%) to \$678.7 million as a result of the downturn in the aviation industry. Line maintenance revenue declined by 25.0% to \$247.4 million mainly due to reduced number of flights handled at Changi Airport especially during the Sars outbreak at the beginning of the year. Revenue from airframe and component overhaul work fell by 21.3% to \$431.3 million mainly due to lower demand and depressed rates during the year.

The impact of the decline in revenue was partially mitigated by a fall in operating expenditure of \$137.3 million (or 18.6%) to \$599.8 million. Overtime and subcontract costs decreased substantially due to lower workload and productivity improvements. Staff costs declined by 15.5%, although the accounts have provided for staff to be paid a one-off lump sum payment to make up for the wage cut taken in 2003, plus 15%, and a bonus of 2.05 months of basic salary, in accordance with the profit sharing bonus agreement.

The Company has recently signed a 3-year Collective Agreement with the engineers' union. Negotiations with the other two staff unions are currently in progress.

Our associated and joint venture companies were similarly affected by the downturn in the aviation industry. Share of profits decreased by \$22.0 million (or 31.1%) to \$48.8 million. Thus, profit before exceptional item decreased by a higher amount of \$84.4 million (or 39.0%) to \$132.0 million.

Profit after taxation decreased by a lower \$65.3 million (or 31.8%) to \$140.0 million. This was mainly due to a \$21.2 million reversal of tax contingency provision. The provision was made to cover for potential tax liability that might arise at the time when the Company disposed of certain fixed assets from its Engine Overhaul Division to Eagle Services Asia Private Limited ("ESA") and the subsequent divestment of 51% interest in ESA to Pratt & Whitney. Following the closure of this matter during the financial year, the provision is no longer required.

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 STATEMENT FOR FY 2004/05 1ST QUARTER & FULL YEAR

The recovery of traffic at Changi Airport to pre-Sars levels should have a favourable impact on our line maintenance business.

Taking advantage of the downturn in 2003, the Company restructured its airframe maintenance and component overhaul product mix to align its service offerings with new aircraft types introduced by major customers. The streamlining of our operations to meet the future needs of our customers has been completed; with the maturing and growing numbers of new-generation aircraft, the Company expects to see an increase in major maintenance checks.

Going forward, order books are healthy, with bookings for airframe maintenance, component overhaul and fleet management programmes from more than a dozen customers, such as Northwest Airlines, Air Pacific, Debis

AirFinance and China Northern Airlines. These airlines, from the United States, Europe, China and the Middle East, form our growing base of third-party customers.

New service offerings being planned include specially packaged maintenance checks to cater for the needs of low-cost carriers, passenger-to-freighter conversions and aircraft interior modifications. Two new hangars are currently being constructed, which will increase airframe maintenance capacity by 30%.

Despite the competitive environment in the aviation industry, our rates have stabilised across the board.

A joint venture that we embarked on last year, PT JAS Aero-Engineering Services, has commenced line maintenance operations at 10 airports in Indonesia. The Company will continue to pursue the growth of its external wing, with a strong focus on the Asia-Pacific, such as China and India. Currently, our stable of 17 joint ventures is spread across five countries, namely, China, Indonesia, Ireland, Taiwan and Singapore. For the financial year ended 31 March 2004, these joint ventures generated S\$2.0 billion in revenue, with 77% derived from airlines outside the Singapore Airlines group.

Against this backdrop, the Company is optimistic that revenue in the first quarter and full year would improve.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of dividend	Interim	Final	
		Ordinary	Special
Dividend Type	Cash	Cash	Cash
Dividend Rate	2.0 cents per ordinary share (tax exempt)	2.5 cents per ordinary share (tax exempt)	20.0 cents per ordinary share (tax exempt)
Par value of shares	\$0.10	\$0.10	\$0.10
Tax rate	-	-	-

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Interim	Final	Final
Dividend Type	Cash	Cash	Cash
Dividend Rate	2.0 cents per ordinary share (less tax)	1.2 cents per ordinary share (less tax)	1.3 cents per ordinary share (tax exempt)
Par value of shares	\$0.10	\$0.10	\$0.10
Tax rate	22.0%	22.0%	-

(c) Date payable

- (i) A tax exempt interim dividend of 2.0 cents per share, amounting to \$20.1M, was paid on 28 November 2003.
- (ii) A final dividend of 22.5 cents per share, comprising a tax-exempt ordinary dividend of 2.5 cents per share (amounting to \$25.1M) and a tax-exempt special dividend of 20.0 cents per share (amounting to \$200.9M), is proposed for FY2003-04. Both dividends will be paid on 11 August 2004. This brings the total dividend for FY2003-04 to 24.5 cents per share.

(d) Books closure date

CLOSURE OF BOOKS

Subject to the approval being obtained at the 22nd Annual General Meeting of the Company for the payment of the final dividend, notice is hereby given that duly completed transfers received by the Share Registrars, KPMG, at 138 Robinson Road, #17-00, The Corporate Office, Singapore 068906 up to 5 p.m. on 30 July 2004 will be registered to determine shareholders' entitlements to the final dividends. Thereafter the Share Transfer Books and the Register of Members of the Company will be closed on 2 August 2004 for the preparation of dividend warrants. The final dividend will be paid on 11 August 2004 to members on the Register as at 30 July 2004.

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

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group operates in Singapore in one business segment, that of maintenance, repair and overhaul of aircraft and aircraft engines. A breakdown of revenues by airframe and component overhaul and line maintenance and technical ground handling activities is as follows:

	GROUP	
	2003-04	2002-03
	S\$M	S\$M
Business Activity		
Airframe and component overhaul services	431.3	548.4
Line maintenance and technical ground handling	247.4	329.7
	678.7	878.1

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales.

	GROUP		
	FY2003-04	FY2002-03	Change
	S\$M	S\$M	%
Turnover reported for first half year	326.0	426.4	-23.5
Profit after tax before deducting minority interests reported for the first half year	61.2	101.4	-39.6
Turnover reported for second half year	352.7	451.7	-21.9
Profit after tax before deducting minority interests reported for the second half year	78.8	103.9	-24.2

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	246,125	37,977
Preference	-	-
Total:	246,125	37,977

17. Interested Persons Transactions

Name of interested person	Aggregate value of all IPTs during the financial year 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)	
	FY2003-04 S\$'000	FY2002-03 S\$'000	FY2003-04 S\$'000	FY2002-03 S\$'000
Autoscan Technology Pte Ltd	-	-	-	329
Keppel Engineering (Pte) Ltd	-	-	-	580
Singapore Airlines Limited and its associates	-	-	29,553	46,310
ST Aviation Services Co Pte Ltd	-	-	-	202
Wan Tien Realty (Pte) Ltd	-	-	-	2,968
Senoko Energy Supply Pte Ltd	-	-	1,624	-
NCS Communications Engineering Pte Ltd	-	-	493	-
Total	-	-	31,670	50,389

BY ORDER OF THE BOARD

Devika Rani Davar
Company Secretary
14 May 2004

Auditor's Report to the Members of SIA Engineering Company Limited

We have audited the accompanying financial statements of SIA Engineering Company Limited (the "Company") and its subsidiary companies (the "Group") set out on pages # to # for the year ended 31 March 2004. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn in accordance with the provisions of the Companies Act (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2004, changes in equity of the Group and of the Company, the results and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records (excluding registers) required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG
Certified Public Accountants

Dated this 10th of May 2004
Singapore

The page numbers are stated in the auditors' report dated 10th May 2004 included in the SIA Engineering Company Annual Report for the financial year ended 31 March 2004.