

AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006

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 FINANCIAL YEAR ENDED 31 MARCH 2006 (IN \$ MILLION)**

	The Group		The Group	
	4th Quarter 2005-06	4th Quarter 2004-05 (Restated)	2005-06	2004-05 (Restated)
REVENUE	260.3	204.2	959.1	807.5
EXPENDITURE				
Staff costs	107.5	92.5	380.1	364.4
Material costs	58.6	41.8	235.7	203.6
Depreciation	6.7	6.0	25.5	20.5
Amortisation of intangibles	1.8	1.8	7.0	4.3
Company accommodation	10.3	9.2	39.3	36.4
Other operating expenses	22.7	23.4	136.8	77.5
	<u>207.6</u>	<u>174.7</u>	<u>824.4</u>	<u>706.7</u>
OPERATING PROFIT	52.7	29.5	134.7	100.8
Interest income	3.4	1.2	9.2	3.8
Surplus on sale of fixed assets	1.3	0.4	1.9	0.4
Dividend income from long-term investment	-	2.3	11.9	4.8
Share of profits of associated companies	19.4	20.7	85.7	67.5
Share of profits of joint venture companies	5.5	3.0	19.9	8.0
PROFIT BEFORE EXCEPTIONAL ITEM	82.3	57.1	263.3	185.3
EXCEPTIONAL ITEM				
Gain on sale of long-term investment	-	-	-	9.0
PROFIT BEFORE TAXATION	82.3	57.1	263.3	194.3
Taxation	(10.6)	(8.4)	(32.9)	(23.6)
PROFIT FOR THE YEAR	71.7	48.7	230.4	170.7
Attributable to:				
Equity holders of the Company	71.8	48.6	230.6	170.4
Minority interest	(0.1)	0.1	(0.2)	0.3
	<u>71.7</u>	<u>48.7</u>	<u>230.4</u>	<u>170.7</u>

Note: The comparative profit and loss account for fourth quarter and financial year ended 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

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

	The Group		The Group	
	4th Quarter	4th Quarter	2005-06	2004-05
	2005-06	2004-05		
	\$M	\$M	\$M	\$M
Bad debts (recovered) / written off	(0.1)	(0.1)	0.1	(0.3)
Provision for/(Write-back of) doubtful debts, net	1.0	(1.0)	5.8	(4.2)
Exchange loss/(gain) net	3.2	(1.3)	1.4	(0.9)
Adjustment for underprovision of tax in respect of prior years	-	0.3	-	0.3
Provision for obsolete stock, net	0.5	0.7	0.5	2.3

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 Mar 2006	31 Mar 2005 (Restated)	31 Mar 2006	31 Mar 2005 (Restated)
SHARE CAPITAL	163.1	101.8	163.1	101.8
RESERVES				
General reserve	885.5	741.0	718.3	615.1
Share-based compensation reserve	11.9	5.6	11.9	5.6
Foreign currency translation reserve	(21.7)	(15.5)	-	-
Share premium	-	25.6	-	25.6
	<u>875.7</u>	<u>756.7</u>	<u>730.2</u>	<u>646.3</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	1,038.8	858.5	893.3	748.1
MINORITY INTEREST	14.1	2.3	-	-
TOTAL EQUITY	<u>1,052.9</u>	<u>860.8</u>	<u>893.3</u>	<u>748.1</u>
DEFERRED TAXATION	14.8	14.4	14.5	14.4
FINANCE LEASE COMMITMENTS -REPAYABLE AFTER ONE YEAR	2.0	-	-	-
	<u>1,069.7</u>	<u>875.2</u>	<u>907.8</u>	<u>762.5</u>
Represented by :				
FIXED ASSETS	230.1	221.5	218.5	217.9
INTANGIBLES	19.2	24.8	18.9	24.6
SUBSIDIARY COMPANIES	-	-	16.3	3.8
ASSOCIATED COMPANIES	299.8	277.2	168.3	166.6
JOINT VENTURE COMPANIES	69.8	56.0	56.6	56.6
LONG-TERM INVESTMENTS	14.6	14.6	14.6	14.6
CURRENT ASSETS				
Trade and other debtors	52.6	41.0	45.8	39.4
Immediate holding company	84.6	76.4	84.2	76.3
Related parties	29.8	15.7	24.5	13.8
Stocks	8.3	6.9	6.9	6.0
Work-in-progress	18.3	40.4	18.2	40.0
Short-term deposits	464.1	288.9	455.1	288.9
Cash and bank balances	36.4	37.0	28.3	36.3
	<u>694.1</u>	<u>506.3</u>	<u>663.0</u>	<u>500.7</u>
Less:				
CURRENT LIABILITIES				
Trade and other creditors	224.1	206.0	216.0	203.9
Finance lease commitments – repayable within one year	0.2	-	-	-
Bank loans	0.8	0.8	-	-
Provision for taxation	32.8	18.4	32.4	18.4
	<u>257.9</u>	<u>225.2</u>	<u>248.4</u>	<u>222.3</u>
NET CURRENT ASSETS	436.2	281.1	414.6	278.4
	<u>1,069.7</u>	<u>875.2</u>	<u>907.8</u>	<u>762.5</u>

Note: The comparative balance sheets for 31 March 2005 have been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

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

Amount repayable in one year or less, or on demand

As at 31/03/2006		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
S\$0.2M	S\$0.8M	-	S\$0.8M

Amount repayable after one year

As at 31/03/2006		As at 31/03/2005	
Secured	Unsecured	Secured	Unsecured
S\$2.0M	-	-	-

Details of any collateral

The secured borrowings 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 THE FINANCIAL YEAR ENDED 31 MARCH 2006 (IN \$ MILLION)**

	The Group	
	2005-06	2004-05 (Restated)
NET CASH PROVIDED BY OPERATING ACTIVITIES	180.3	100.8
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(39.6)	(58.4)
Proceeds from disposal of fixed assets	5.8	0.1
Investments in associated companies	(1.7)	(0.8)
Repayment of loans by investee companies	-	2.3
Repayment of bank loans	-	(0.2)
Dividend received from long-term investment	11.9	4.8
Dividends received from associated and joint venture companies	59.2	30.0
Proceeds from sale of long-term investment	-	12.5
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	35.6	(9.7)
CASH FLOW FROM FINANCING ACTIVITIES		
Capital contribution from minority shareholders of subsidiaries	12.0	-
Proceeds from exercise of share options	34.8	20.5
Dividends paid	(87.2)	(257.8)
NET CASH USED IN FINANCING ACTIVITIES	(40.4)	(237.3)
NET CASH INFLOW /(OUTFLOW)	175.5	(146.2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	325.9	472.4
Effect of exchange rate changes	(0.9)	(0.3)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	500.5	325.9
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Short-term deposits	464.1	288.9
Cash and bank balances	36.4	37.0
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	500.5	325.9

Note: The comparative cash flow statement for the financial year ended 31 March 2005 has been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

CASH FLOW FROM OPERATING ACTIVITIES (IN \$ MILLION)

	The Group	
	2005-06	2004-05 (Restated)
Profit before taxation	263.3	194.3
Adjustment for:		
Interest income	(9.2)	(3.8)
Share-based payment expense	7.2	4.7
Depreciation of fixed assets	25.5	20.5
Amortisation of intangibles	7.0	4.3
Surplus on sale of fixed assets	(1.9)	(0.4)
Share of profits of associated and joint venture companies	(105.6)	(75.5)
Dividend income received from long-term investment	(11.9)	(4.8)
Exchange differences	1.4	(0.9)
Gain on sale of long-term investment	-	(9.0)
Operating profit before working capital changes	175.8	129.4
Increase in debtors	(12.5)	(2.4)
Decrease /(increase) in stocks and work-in-progress	20.7	(27.8)
Increase in creditors	22.0	38.9
Increase in amounts owing from related companies	(20.5)	(32.2)
Cash generated from operations	185.5	105.9
Interest received from deposits	7.4	3.5
Income taxes paid	(12.6)	(8.6)
NET CASH PROVIDED BY OPERATING ACTIVITIES	180.3	100.8

Note: The comparative cash flow statement for financial year ended 31 March 2005 has been restated to take into account the retrospective adjustments relating to FRS 102 - Share-based Payment. Please see paragraph 4 for details.

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 EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006 (IN \$ MILLION)**

The Group	Attributable to Equity Holders of the Company						Minority interest	Total equity
	Share capital	Share premium	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 31 March 2005, as previously reported	101.8	25.6	-	(15.5)	746.6	858.5	2.3	860.8
<u>Effect of adopting#</u> - FRS 102	-	-	5.6	-	(5.6)	-	-	-
Balance at 31 March 2005, as restated	101.8	25.6	5.6	(15.5)	741.0	858.5	2.3	860.8
<u>Effect of adopting</u> - FRS 39	-	-	-	-	1.1	1.1	-	1.1
	101.8	25.6	5.6	(15.5)	742.1	859.6	2.3	861.9
Transfer to Share Capital	25.6	(25.6)	-	-	-	-	-	-
	127.4	-	5.6	(15.5)	742.1	859.6	2.3	861.9
Currency translation differences not recognised in the profit and loss account	-	-	-	(6.2)	-	(6.2)	-	(6.2)
Profit for the financial year	-	-	-	-	230.6	230.6	(0.2)	230.4
Net income recognised for the financial year	-	-	-	(6.2)	230.6	224.4	(0.2)	224.2
Capital contribution	-	-	-	-	-	-	12.0	12.0
Share-based payment	-	-	7.2	-	-	7.2	-	7.2
Share options exercised	35.7	-	(0.9)	-	-	34.8	-	34.8
Dividends	-	-	-	-	(87.2)	(87.2)	-	(87.2)
Balance at 31 March 2006	163.1	-	11.9	(21.7)	885.5	1,038.8	14.1	1,052.9

Please see paragraph 4 for details.

The Group	Attributable to Equity Holders of the Company						Minority interest	Total equity
	Share capital	Share premium	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 31 March 2004, as previously reported	100.5	6.4	-	(10.4)	829.3	925.8	2.0	927.8
<u>Effect of adopting</u> - FRS 102	-	-	0.9	-	(0.9)	-	-	-
Balance at 31 March 2004 as restated	100.5	6.4	0.9	(10.4)	828.4	925.8	2.0	927.8
Currency translation differences not recognised in the profit and loss account	-	-	-	(5.1)	-	(5.1)	-	(5.1)
Profit for the financial year	-	-	-	-	170.4	170.4	0.3	170.7
Net income recognised for the financial year	-	-	-	(5.1)	170.4	165.3	0.3	165.6
Share-based payment	-	-	4.7	-	-	4.7	-	4.7
Share options exercised	1.3	19.2	-	-	-	20.5	-	20.5
Dividends	-	-	-	-	(257.8)	(257.8)	-	(257.8)
Balance at 31 March 2005	101.8	25.6	5.6	(15.5)	741.0	858.5	2.3	860.8

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2006 (IN \$ MILLION)**

The Company	Share capital	Share premium	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total
Balance at 31 March 2005, as previously reported	101.8	25.6	-	-	620.7	748.1
<u>Effect of adopting</u> - FRS 102	-	-	5.6	-	(5.6)	-
Balance at 31 March 2005, as restated	101.8	25.6	5.6	-	615.1	748.1
<u>Effect of adopting</u> - FRS 39	-	-	-	-	1.1	1.1
	101.8	25.6	5.6	-	616.2	749.2
Transfer to Share Capital	25.6	(25.6)	-	-	-	-
	127.4	-	5.6	-	616.2	749.2
Profit for the financial year	-	-	-	-	189.3	189.3
Net income recognised for the financial year	-	-	-	-	189.3	189.3
Share-based payment	-	-	7.2	-	-	7.2
Share options exercised	35.7	-	(0.9)	-	-	34.8
Dividends	-	-	-	-	(87.2)	(87.2)
Balance at 31 March 2006	163.1	-	11.9	-	718.3	893.3
Balance at 31 March 2004, as previously reported	100.5	6.4	-	0.1	742.1	849.1
<u>Effect of adopting</u> - FRS 102	-	-	0.9	-	(0.9)	-
Balance at 31 March 2004 as restated	100.5	6.4	0.9	0.1	741.2	849.1
Currency translation differences not recognised in the profit and loss account	-	-	-	(0.1)	-	(0.1)
Profit for the financial year	-	-	-	-	131.7	131.7
Net income recognised for the financial year	-	-	-	(0.1)	131.7	131.6
Share-based payment	-	-	4.7	-	-	4.7
Share options exercised	1.3	19.2	-	-	-	20.5
Dividends	-	-	-	-	(257.8)	(257.8)
Balance at 31 March 2005	101.8	25.6	5.6	-	615.1	748.1

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) During the period April 2005 to March 2006, 19,381,050 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) On 1 July 2005, the Company made a seventh grant of share options to employees. 16,313,700 share options were accepted by eligible employees to subscribe for ordinary shares at the price of \$2.45 per share for the exercise period from 1 July 2006 to 30 June 2015. As at 31 March 2006, options to subscribe for 60,225,575 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 2006 is as follows:

No.	Date of grant	Balance at 01.04.2005 / date of grant	Cancelled	Exercised	Balance at 31.03.2006	Exercise Price*	Exercisable period
1.	28.03.2000	11,585,500	(45,600)	(5,501,500)	6,038,400	\$1.85	28.03.2001-27.03.2010
2.	03.07.2000	9,417,650	(22,800)	(4,386,700)	5,008,150	\$1.75	03.07.2001-02.07.2010
3.	02.07.2001	4,791,000	-	(1,621,350)	3,169,650	\$1.21	02.07.2002-01.07.2011
4.	01.07.2002	15,429,800	(40,900)	(4,338,925)	11,049,975	\$2.18	01.07.2003-30.06.2012
5.	01.07.2003	7,290,325	(18,250)	(3,460,450)	3,811,625	\$1.55	01.07.2004-30.06.2013
6.	01.07.2004	15,195,500	(166,500)	(72,125)	14,956,875	\$1.89	01.07.2005-30.06.2014
7.	01.07.2005	16,313,700	(122,800)	-	16,190,900	\$2.45	01.07.2006-30.06.2015
	Total	80,023,475	(416,850)	(19,381,050)	60,225,575		

* At the extraordinary general meeting of the Company held on 26 July 2004, the Company's shareholders approved an amendment to the Plan allowing 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. At the same meeting, the Company's shareholders approved the declaration of a special dividend. The said Committee then approved a S\$0.20 reduction of the exercise prices of the outstanding share options (i.e. first to sixth grants). The exercise prices reflected here are the exercise prices after such adjustment.

- (iv) As at 31 March 2005, the number of share options of the Company outstanding was 63,709,775.

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 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).

See attached auditor's report.

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 2005 except for the adoption of all the new and revised Financial Reporting Standards (FRS) that became effective for the Group for the financial year beginning 1 April 2005.

The adoption of these new and revised FRSs did not have any significant financial impact to the Group except as discussed below:

FRS 39: Financial Instruments: Recognition and Measurement

FRS 39 sets out the new requirement for the recognition, derecognition and measurement of the Group's financial instruments and hedge accounting. The adoption of FRS 39 has resulted in the Group recognising available-for-sale investments at cost, loans and receivables and financial liabilities at amortised cost, which in the case of the Group, based on the nature of the underlying financial instruments, equate materially to cost. There are no material adjustments arising from the adoption of FRS 39.

In accordance with the transitional provisions of FRS 39, the comparative financial statements for FY2004-05 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 April 2005.

	Increased by \$ million
General reserve	1.1
Trade debtors	1.4
Deferred taxation	0.3

FRS 102: Share-based Payment

FRS 102 requires the Group to recognise an expense in the profit and loss account with a corresponding increase in equity for share options granted after 22 November 2002 and not vested by 1 April 2005. The total amount to be recognised as an expense in the profit and loss account is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the profit and loss account and a corresponding adjustment to equity over the remaining vesting period.

The application of FRS 102 is retrospective and accordingly, the comparative financial statements are restated and the financial impact on the Group is as follows:

	Increased/(Decreased) by \$ million
Profit for the financial year 2004-05	(4.7)
Profit for the financial year 2005-06	(7.2)
General Reserve as at 31 March 2004	(0.9)
General Reserve as at 31 March 2005	(5.6)
Share-based Compensation Reserve as at 31 March 2004	0.9
Share-based Compensation Reserve as at 31 March 2005	5.6

	Decreased by
	Cents
Basic Earnings Per Share for the financial year 2004-05	(0.46)
Basic Earnings Per Share for the financial year 2005-06	(0.70)
Diluted Earnings Per Share for the financial year 2004-05	(0.43)
Diluted Earnings Per Share for the financial year 2005-06	(0.65)

FRS 103: Business Combinations; FRS 36: Impairment of Assets; and FRS 38: Intangible Assets

The new accounting standard FRS 103: Business Combinations has resulted in consequential amendments to two other accounting standards, FRS 36: Impairment of Assets and FRS 38: Intangible Assets.

Under FRS 103, goodwill acquired in a business combination is no longer subjected to amortisation to the profit and loss account. Instead, it is subjected to impairment review annually or whenever there is an indication that the goodwill is impaired as required by the revised FRS 36. Any impairment loss is charged to the profit and loss account and subsequent reversal is not allowed.

The Group adopted FRS 103 with effect from 1 April 2005.

Previously, goodwill was amortised using the straight-line method over a period not exceeding twenty years. No goodwill amortisation was recorded for the financial year 2005-06 (Financial year 2004-05: \$0.4 million).

- 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.**

Please refer to paragraph 4.

- 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.**

Earnings per share (cents)	Group			
	4th Qtr 2005-06	4th Qtr 2004-05 (Restated)	2005-06	2004-05 (Restated)
- Basic *	6.95	4.79	22.45	16.86
- Diluted #	6.80	4.73	22.14	16.72

* 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.

Net asset value per share (cents)	Group		Company	
	As at 31 Mar 06	As at 31 Mar 05 (Restated)	As at 31 Mar 06	As at 31 Mar 05 (Restated)
	100.2	84.4	86.2	73.5

- 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.**

Financial Year 2005-06

The Group achieved a 35.3% growth in profit attributable to equity holders of the Company for financial year 2005-06, on the back of higher operating profit and improved performance by associated and joint venture companies.

Revenue grew by \$151.6 million (+18.8%) to \$959.1 million, mainly due to higher workload and fleet management revenue. The commissioning of two new hangars in 2005 provided additional capacity. Airframe and component overhaul and line maintenance contributed 64% and 31% respectively to the Group's revenue. Revenue contributed by fleet management work increased to 5% due to new contracts secured and revenue recognition of \$11.5 million on completion of contracts.

Expenditure increased at a lower rate of 16.7% to \$824.4 million, helped by a write-back of a prior year provision of \$8.9 million that was no longer required. Material, subcontract and overtime costs rose in line with higher workload. A provision for doubtful debts of \$5.9 million and a foreign exchange loss of \$1.4 million were incurred compared to a write-back of provision for doubtful debts of \$4.5 million and an exchange gain of \$0.9 million last year.

As a result, operating profit increased by \$33.9 million (+33.6%) to \$134.7 million.

Share of profits from our associated and joint venture companies grew by \$30.1 million (+39.9%) to \$105.6 million, representing 40.1% of the Group's pre-tax profits. As at 31 March 2006, the group had equity interests in 19 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, Hong Kong, Taiwan, Indonesia and the Philippines, covering a comprehensive range of high-technology aero-services.

Profit before taxation increased by \$69.0 million (+35.5%) to \$263.3 million. Provision for taxation was \$9.3 million (+39.4%) higher mainly due to higher profitability and changes in the Company's tax incentive schemes. With effect from 1 June 2005, the defined tax base that is subject to tax at the prevailing corporate tax rate became significantly higher. Tax is paid at a concessionary tax rate of 10% on profits in excess of the tax base.

As a result, profit attributable to equity holders of the Company for the financial year ended 31 March 2006 was \$230.6 million, an increase of \$60.2 million (+35.3%). Basic earnings per share rose 33.2% to 22.5 cents.

The Council on Corporate Disclosure and Governance (CCDG) in Singapore adopted several new and revised Financial Reporting Standards (FRS) that came into effect in financial year 2005-06. For the Group, the main changes are in the recognition and fair value measurement of financial instruments (FRS 39) and the expensing of share options to employees (FRS 102). The adoption of FRS 39 had no impact on profit for financial year 2005-06 while FRS 102 resulted in a net negative impact of \$7.2 million on profit for the year.

Fourth Quarter 2005-06

The Group achieved a profit attributable to equity holders of the Company of \$71.8 million in the three months ended 31 March 2006, an increase of \$23.2 million (+47.7%) from the corresponding period last year.

Operating profit for the fourth quarter was \$52.7 million, \$23.2 million (+78.6%) higher than in the corresponding quarter last year.

Revenue grew by \$56.1 million (+27.5%) to \$260.3 million, due to higher workload and the recognition of revenue amounting to \$11.5 million on completion of contracts. Expenditure increased at a lower rate of \$32.9 million (+18.8%) to \$207.6 million, as there was a write-back of a prior year provision of \$10.9 million that was no longer required.

GROUP FINANCIAL POSITION (as at 31 March 2006)

As at 31 March 2006, equity attributable to equity holders of the Company amounted to \$1,038.8 million, \$180.3 million (+21.0%) higher than 31 March 2005.

Total assets increased by \$227.2 million (+20.6%) to \$1,327.6 million. Net asset value per share was 100.2 cents, an increase of 15.8 cents (+18.7%).

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.

In the new financial year, the Company will benefit from the full-year operation of its fifth hangar. Service offerings will be expanded to include B747-400 passenger-to-freighter conversion and services on A380 and B777-300ER aircraft. Fleet Management Programmes are expected to grow, and will strengthen the Company's position as a one-stop Centre of Excellence in maintenance, repair and overhaul (MRO) services in Asia Pacific.

While the Company and its joint ventures expect to benefit from a steady demand for MRO services, rates will continue to come under pressure as airlines confront high operating costs and soaring fuel prices. The Company is taking proactive measures to enhance its cost competitiveness.

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	4.0 cents per ordinary share	6.0 cents per ordinary share	20.0 cents per ordinary share
Tax rate	Tax-exempt	Tax-exempt (one-tier)	Tax-exempt (one-tier)

(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
Dividend Type	Cash	Cash
Dividend Rate	3.0 cents per ordinary share	4.5 cents per ordinary share
Tax rate	Tax-exempt	Tax-exempt

(c) Date payable

The Board is proposing a special dividend of 20 cents per share and an ordinary dividend of 6 cents per share, which together with the interim dividend of 4 cents paid earlier, make a dividend payment of 30 cents per share for FY 05/06. Payment of the special and ordinary dividends, which amount to \$269.6 million, is subject to shareholders' approval at the Annual General Meeting on 21 July 2006. Both dividends will be paid as tax-exempt (one-tier) dividends on 8 August 2006.

(d) Books closure date

Subject to the approval being obtained at the 24th 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, M & C Services Pte Ltd, at 138 Robinson Road, #17-00, The Corporate Office, Singapore 068906 up to 5 p.m. on 27 July 2006 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 28 July 2006 for the preparation of dividend warrants. The final dividend will be paid on 8 August 2006 to members on the Register as at 27 July 2006.

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, line maintenance and technical ground handling activities and fleet management programmes is as follows:

	GROUP	
	2005-06	2004-05
	S\$M	S\$M
Business Activities		
Airframe and component overhaul services	612.4	499.0
Line maintenance and technical ground handling	300.8	277.6
Fleet management programmes	45.9	30.9
	959.1	807.5

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		
	FY2005-06	FY2004-05	Change
	S\$M	S\$M	%
Turnover reported for first half year	463.5	408.0	+13.6
Profit after tax reported for the first half year	105.9	85.6	+23.7
Turnover reported for second half year	495.6	399.5	+24.1
Profit after tax reported for the second half year	124.5	85.1	+46.3

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

Annual Dividend (in \$ 000)	2005-06	2004-05
Ordinary dividend		
- Interim	41,091	30,359
- Final [#]	<u>62,208</u>	<u>46,098</u>
	103,299	76,457
Special dividend		
- Final [#]	207,360	-
Total:	310,659	76,457

2005-06 Final dividend is estimated based on number of shares outstanding as at the end of the financial year.

17. Interested Persons Transactions

Interested Persons Transactions

(In thousands of S\$)

FY2005-06

Name of interested person	Aggregate value of all IPTs during the financial year 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 financial year under review (excluding transactions less than \$100,000)
Singapore Airlines Ltd	—	35,154
Singapore Airport Terminal Services Limited	—	650
Asprecise Pte Ltd (66% owned by Temasek eVentures and ultimately by Temasek Holdings Pte Ltd)	—	1,680
ST Aerospace Supplies Pte Ltd (wholly-owned by ST Aerospace Ltd and ST Engineering Ltd)	—	246
Total	—	37,730

BY ORDER OF THE BOARD

Devika Rani Davar
Company Secretary
9 May 2006

Singapore Co. Regn. No.: 198201025C

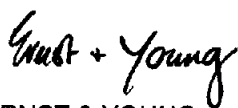
Auditors' Report to the Members of SIA Engineering Company Limited

We have audited the accompanying financial statements of SIA Engineering Company Limited (the "Company") and its subsidiary companies (collectively, the "Group") set out on pages * to * for the financial year ended 31 March 2006. 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 up in accordance with the provisions of the Singapore Companies Act, Cap.50 (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 2006 and 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 9th of May 2006
Singapore

* The page numbers are stated in the auditors' report dated 4th May 2006 included in the SIA Engineering Company Annual Report for the financial year ended 31 March 2006.