

**AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007**

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

**CONSOLIDATED PROFIT AND LOSS ACCOUNTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007 (IN \$ MILLION)**

	The Group		The Group	
	4th Quarter 2006-07	4th Quarter 2005-06	2006-07	2005-06
<b>REVENUE</b>	<b>238.7</b>	<b>260.3</b>	<b>977.4</b>	<b>959.1</b>
<b>EXPENDITURE</b>				
Staff costs	122.6	107.5	418.2	380.1
Material costs	51.9	58.6	234.9	235.7
Depreciation	5.5	6.7	26.8	25.5
Amortisation of intangibles	1.9	1.8	7.7	7.0
Company accommodation	11.0	10.3	42.5	39.3
Subcontract costs	23.5	18.8	84.0	79.5
Other operating expenses	14.6	3.9	61.3	57.3
	<b>231.0</b>	<b>207.6</b>	<b>875.4</b>	<b>824.4</b>
<b>OPERATING PROFIT</b>	<b>7.7</b>	<b>52.7</b>	<b>102.0</b>	<b>134.7</b>
Interest income	2.9	3.4	13.7	9.2
Interest on external borrowings	*	*	*	*
Surplus on disposal of fixed assets	0.3	1.3	0.3	1.9
Dividend received from long-term investment	2.0	-	15.5	11.9
Share of profits of associated companies	29.4	19.4	106.1	85.7
Share of profits of joint venture companies	10.3	5.5	33.4	19.9
<b>PROFIT BEFORE TAXATION</b>	<b>52.6</b>	<b>82.3</b>	<b>271.0</b>	<b>263.3</b>
<b>TAXATION</b>	<b>(3.7)</b>	<b>(10.6)</b>	<b>(29.4)</b>	<b>(32.9)</b>
<b>PROFIT FOR THE QUARTER / YEAR</b>	<b>48.9</b>	<b>71.7</b>	<b>241.6</b>	<b>230.4</b>
<b>PROFIT ATTRIBUTABLE TO:</b>				
<b>EQUITY HOLDERS OF THE COMPANY</b>	<b>48.4</b>	<b>71.8</b>	<b>242.1</b>	<b>230.6</b>
Minority interest	0.5	(0.1)	(0.5)	(0.2)
	<b>48.9</b>	<b>71.7</b>	<b>241.6</b>	<b>230.4</b>
Basic earnings per share (cents)	4.56	6.95	22.97	22.45
Diluted earnings per share (cents)	4.45	6.80	22.52	22.14

**Notes:**

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

	The Group		The Group	
	4th Quarter 2006-07	4th Quarter 2005-06	2006-07	2005-06
	\$M	\$M	\$M	\$M
Bad debts written off / (recovered)	-	(0.1)	0.6	0.1
(Write-back of) / provision for impairment of trade debtors, net	(3.2)	1.0	(4.8)	5.8
Exchange losses, net	0.2	3.2	2.9	1.4
Adjustment for over provision of tax in respect of prior years	(0.2)	-	(0.7)	-
Provision for obsolete stocks, net	0.1	0.5	0.1	0.5

\* Amount less than \$0.1M

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**BALANCE SHEETS AT 31 MARCH 2007 (IN \$ MILLION)**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Mar 2007</b>	<b>31 Mar 2006</b>	<b>31 Mar 2007</b>	<b>31 Mar 2006</b>
<b>SHARE CAPITAL</b>	214.5	163.1	214.5	163.1
<b>RESERVES</b>				
General reserve	811.7	885.5	560.4	718.3
Share-based compensation reserve	18.0	11.9	18.0	11.9
Foreign currency translation reserve	(47.1)	(21.7)	-	-
	782.6	875.7	578.4	730.2
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	997.1	1,038.8	792.9	893.3
<b>MINORITY INTERESTS</b>	13.2	14.1	-	-
<b>TOTAL EQUITY</b>	1,010.3	1,052.9	792.9	893.3
<b>DEFERRED TAXATION</b>	13.2	14.8	13.1	14.5
<b>LONG-TERM LIABILITY</b>				
Finance lease commitments				
– repayable after one year	-	2.0	-	-
	1,023.5	1,069.7	806.0	907.8
Represented by :				
<b>FIXED ASSETS</b>	250.3	230.1	233.1	218.5
<b>INTANGIBLES</b>	15.3	19.2	14.9	18.9
<b>SUBSIDIARY COMPANIES</b>	-	-	16.3	16.3
<b>ASSOCIATED COMPANIES</b>	339.6	299.8	164.7	168.3
<b>JOINT VENTURE COMPANIES</b>	85.8	69.8	56.6	56.6
<b>LONG-TERM INVESTMENTS</b>	14.6	14.6	14.6	14.6
<b>CURRENT ASSETS</b>				
Trade and other debtors	65.8	52.6	55.3	45.8
Immediate holding company	73.7	84.6	73.6	84.2
Related parties	22.2	29.8	19.1	24.5
Stocks	11.5	8.3	9.2	6.9
Work-in-progress	35.9	18.3	35.9	18.2
Short-term deposits	369.7	464.1	362.3	455.1
Cash and bank balances	30.6	36.4	24.1	28.3
	609.4	694.1	579.5	663.0
Less:				
<b>CURRENT LIABILITIES</b>				
Trade and other creditors	243.4	224.1	228.8	216.0
Finance lease commitments				
– repayable within one year	1.9	0.2	-	-
Bank loans	0.8	0.8	-	-
Current tax payable	45.4	32.8	44.9	32.4
	291.5	257.9	273.7	248.4
<b>NET CURRENT ASSETS</b>	317.9	436.2	305.8	414.6
	1,023.5	1,069.7	806.0	907.8

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

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

As at 31/03/2007		As at 31/03/2006	
Secured	Unsecured	Secured	Unsecured
S\$1.9M	S\$0.8M	S\$0.2M	S\$0.8M

**Amount repayable after one year**

As at 31/03/2007		As at 31/03/2006	
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 2007 (IN \$ MILLION)**

	<b>The Group</b>	
	<b>2006-07</b>	<b>2005-06</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>145.3</b>	<b>172.9</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(47.1)	(38.2)
Purchase of intangible assets	(3.8)	(1.4)
Proceeds from disposal of fixed assets	0.1	5.8
Investments in associated companies	-	(1.7)
Proceeds from capital reduction of associated company	3.9	-
Dividends received from associated and joint venture companies	45.8	59.2
Dividend received from long-term investment	15.5	11.9
Interest received from deposits	13.9	7.4
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>28.3</b>	<b>43.0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital by subsidiary companies to minority shareholders	-	12.0
Proceeds from exercise of share options	44.8	34.8
Interest paid	*	*
Repayment of finance lease obligations	(0.2)	-
Dividends paid	(316.8)	(87.2)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(272.2)</b>	<b>(40.4)</b>
<b>NET CASH (OUTFLOW) / INFLOW</b>	<b>(98.6)</b>	<b>175.5</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>500.5</b>	<b>325.9</b>
Effect of exchange rate changes	(1.6)	(0.9)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>400.3</b>	<b>500.5</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Short-term deposits	369.7	464.1
Cash and bank balances	30.6	36.4
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>400.3</b>	<b>500.5</b>

\* Amount less than \$0.1M

**CONSOLIDATED CASH FLOW STATEMENTS (Cont'd)**

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

	<b>The Group</b>	
	<b>2006-07</b>	<b>2005-06</b>
Profit before taxation	271.0	263.3
Adjustment for:		
Depreciation	26.8	25.5
Amortisation of intangibles	7.7	7.0
Share-based payment	13.2	7.2
Surplus on disposal of fixed assets	(0.3)	(1.9)
Interest income	(13.7)	(9.2)
Interest expense	*	*
Share of profits of associated and joint venture companies	(139.5)	(105.6)
Dividend income from long-term investment	(15.5)	(11.9)
Exchange differences	2.9	1.4
<b>Operating profit before working capital changes</b>	<b>152.6</b>	<b>175.8</b>
Increase in debtors	(14.8)	(12.5)
(Increase) / decrease in stocks and work-in-progress	(20.8)	20.7
Increase in creditors	19.7	22.0
Decrease / (increase) in amounts owing from related companies	18.3	(20.5)
<b>Cash generated from operations</b>	<b>155.0</b>	<b>185.5</b>
Income taxes paid	(9.7)	(12.6)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>145.3</b>	<b>172.9</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.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007 (IN \$ MILLION)**

The Group	Attributable to Equity Holders of the Company					Minority interests	Total equity
	Share capital	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 1 April 2006	163.1	11.9	(21.7)	885.5	1,038.8	14.1	1,052.9
Currency translation differences not recognised in the profit and loss account	-	-	(25.4)	-	(25.4)	-	(25.4)
Profit for the financial year	-	-	-	242.1	242.1	(0.5)	241.6
Net income and expense recognised for the financial year	-	-	(25.4)	242.1	216.7	(0.5)	216.2
Share-based payment	-	13.2	-	-	13.2	-	13.2
Share options exercised	51.4	(6.6)	-	-	44.8	-	44.8
Share options lapsed	-	(0.5)	-	0.5	-	-	-
Dividends	-	-	-	(316.4)	(316.4)	(0.4)	(316.8)
Balance at 31 March 2007	214.5	18.0	(47.1)	811.7	997.1	13.2	1,010.3

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007 (IN \$ MILLION)**

The Group	Attributable to Equity Holders of the Company						Minority interests	Total equity
	Share capital	Share premium	Share-based compensation reserve	Foreign currency translation reserve	General reserve	Total		
Balance at 1 April 2005	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 and expense 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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007 (IN \$ MILLION)**

<b>The Company</b>	Share capital	Share premium	Share-based compensation reserve	General reserve	Total
Balance at 1 April 2005	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
Profit for the financial year	-	-	-	158.0	158.0
Net income recognised for the financial year	-	-	-	158.0	158.0
Share-based payment	-	-	13.2	-	13.2
Share options exercised	51.4	-	(6.6)	-	44.8
Share options lapsed	-	-	(0.5)	0.5	-
Dividends	-	-	-	(316.4)	(316.4)
Balance at 31 March 2007	214.5	-	18.0	560.4	792.9



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 April 2006 to March 2007, 25,090,737 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 3 July 2006, the Company made an eighth grant of share options to employees. 15,244,800 share options were accepted by eligible employees to subscribe for ordinary shares at the price of \$3.64 (which was later reduced to \$3.44 as explained in (iii) below) per share for the exercise period from 3 July 2007 to 2 July 2016.
- (iii) The movement of share options of the Company during the financial year ended 31 March 2007 is as follows:

No	Date of grant	Balance at 01.04.2006 / date of grant	Cancelled	Exercised	Balance at 31.03.2007	Exercise Price*	Exercisable period
1.	28.03.2000	6,038,400	(81,600)	(3,705,800)	2,251,000	\$1.65	28.03.2001-27.03.2010
2.	03.07.2000	5,008,150	(85,200)	(2,915,337)	2,007,613	\$1.55	03.07.2001-02.07.2010
3.	02.07.2001	3,169,650	(49,200)	(2,016,550)	1,103,900	\$1.01	02.07.2002-01.07.2011
4.	01.07.2002	11,049,975	(12,800)	(5,166,050)	5,871,125	\$1.98	01.07.2003-30.06.2012
5.	01.07.2003	3,811,625	(5,850)	(2,017,550)	1,788,225	\$1.35	01.07.2004-30.06.2013
6.	01.07.2004	14,956,875	(21,200)	(9,143,125)	5,792,550	\$1.69	01.07.2005-30.06.2014
7.	01.07.2005	16,190,900	(220,100)	(126,325)	15,844,475	\$2.25	01.07.2006-30.06.2015
8.	03.07.2006	15,244,800	(172,400)	-	15,072,400	\$3.44	03.07.2007-02.07.2016
	Total	75,470,375	(648,350)	(25,090,737)	49,731,288		

\* At the extraordinary general meeting of the Company held on 26 July 2004, the Company's shareholders approved an amendment to the Plan to allow for adjustment to the exercise prices of the existing options by the Committee administering the Plan, in the event of the declaration of a special dividend. Following approval by the Company's shareholders of the declaration of a special dividend of \$0.20 on 26 July 2004, the said Committee approved a reduction of \$0.20 in the exercise prices of the share options outstanding on 28 July 2004. The said Committee approved another \$0.20 reduction in the exercise prices of the share options outstanding on 25 July 2006 following approval by the Company's shareholders of the declaration of a special dividend of \$0.20 on 21 July 2006. The exercise prices reflected here are the exercise prices after such adjustments.

- (iv) As at 31 March 2007, the number of share options of the Company outstanding was 49,731,288 (31 March 2006: 60,225,575).

## Restricted Share Plan and Performance Share Plan

- (i) At the extraordinary general meeting of the Company held on 25 July 2005, the Company's shareholders approved the adoption of two new share plans, namely the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP"), in addition to the Employee Share Option Plan.
- (ii) As at 31 March 2007, the number of outstanding shares granted under the Company's RSP and PSP were 203,200 (31 March 2006: Nil) and 36,900 (31 March 2006: Nil) respectively.
- (iii) Depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP, the final number of restricted shares and performance shares awarded could range between 0% to 120% of the initial grant of the restricted shares and between 0% to 150% of the initial grant of the performance shares.

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

The figures have 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 year compared to the audited financial statements as at 31 March 2006.

**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			
	4th Qtr 2006-07	4th Qtr 2005-06	2006-07	2005-06
Earnings per share (cents)				
- Basic *	4.56	6.95	22.97	22.45
- Diluted #	4.45	6.80	22.52	22.14

\* Based on the weighted average number of ordinary shares in issue.

# Based on the weighted average number of ordinary shares in issue, after adjusting for the effects of dilutive options.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	As at 31 Mar 07	As at 31 Mar 06	As at 31 Mar 07	As at 31 Mar 06
Net asset value per share (cents)	93.9	100.2	74.7	86.2

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 2006-07**

The Group posted a profit attributable to equity holders of \$242.1 million for financial year 2006-07. Associated and joint venture companies continued to perform well, contributing a substantial 51.5% to the year's pre-tax profits.

Revenue grew \$18.3 million (+1.9%) to \$977.4 million, mainly due to higher Fleet Management Programme (FMP) revenue. FMP revenue grew by 65.8% or \$30.2 million to \$76.1 million. This was eroded by a drop in Airframe Maintenance and Component Overhaul revenue. The depreciation of the USD has also impacted revenue from third party airline customers as such business is transacted in USD. Increase in FMP revenue was due to new contracts secured, a greater number of aircraft handled and a compensation payment of \$5.5 million for early termination of a contract arising from a change in ownership of a FMP customer.

Expenditure increased by 6.2% to \$875.4 million mainly due to higher staff costs from a larger provision for profit-sharing bonus (attributable to a linkage to the SIA Group profit-sharing formula; this being the last year of such linkage) and expensing of share options. Increase in staff costs was mitigated by savings in overtime pay, due to a workplace restructuring agreement reached with staff unions. Freight and subcontract costs also rose in line with the increased FMP revenue.

As a result, operating profit decreased by \$32.7 million (-24.3%) to \$102.0 million.

Share of profits from our associated and joint venture companies grew by \$33.9 million (+32.1%) to \$139.5 million. As at 31 March 2007, 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 \$7.7 million (+2.9%) to \$271.0 million. Provision for taxation was \$3.5 million (-10.6%) lower mainly due to the impact of the Government's reduction of corporate tax rate to 18% from Year of Assessment 2008.

As a result, profit attributable to equity holders of the Company for the financial year ended 31 March 2007 was \$242.1 million, an increase of \$11.5 million (+5.0%). Basic earnings per share rose 2.3% to 22.97 cents.

## **Financial Year 2006-07 (cont'd)**

### **Fourth Quarter 2006-07**

The Group posted a profit attributable to equity holders of the Company of \$48.4 million in the three months ended 31 March 2007, a decrease of \$23.4 million (-32.6%) compared to the same period last year.

Operating profit for the fourth quarter was \$7.7 million, \$45.0 million (-85.4%) lower than in the corresponding quarter last year.

Revenue decreased by \$21.6 million (-8.3%) to \$238.7 million, due to lower workload in Airframe Maintenance and Component Overhaul services. This was partly offset by the increase of \$8.3 million in Line Maintenance and FMP revenue for the quarter. Airframe Maintenance and Component Overhaul, Line Maintenance, and Fleet Management Programme contributed 58%, 33% and 9% respectively to the Group's revenue during the quarter.

Expenditure increased at a higher rate of \$23.4 million (+11.3%) to \$231.0 million mainly due to a higher provision for profit-sharing bonus (attributable to a linkage to the SIA Group profit-sharing formula; this being the last year of such linkage) and expensing of share options.

### **GROUP FINANCIAL POSITION (as at 31 March 2007)**

As at 31 March 2007, equity attributable to equity holders of the Company amounted to \$997.1 million, \$41.7 million (-4.0%) lower than 31 March 2006 due to the payment of special dividend for financial year 2005-06 in August 2006.

Total assets decreased by \$12.6 million (-0.9%) to \$1,315.0 million. Net asset value per share was 93.9 cents, a decrease of 6.3 cents (-6.3%).

#### **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**

For financial year 2007-08, the Group's prospects for its aircraft maintenance, repair and overhaul (MRO) business remain strong. The Company's core businesses, namely Line Maintenance, Airframe Maintenance and Component Overhaul, and Fleet Management Programme (FMP), are expected to improve on the strength of current contracts as well as further productivity improvements.

The Group's 19 joint ventures, spread across 6 countries, are expected to sustain their strong contributions to our profits and customer base, barring unforeseen circumstances.

Ongoing strategic initiatives to enhance capacity and capabilities, such as the inception of the A380, freighter conversions and FMP services, will spur growth and strengthen the Group's competitiveness.

Nevertheless, pressure on rates remain a concern given the increasingly competitive environment and the weakening US dollar.

## 11. Dividend

### (a) Current Financial Period Reported On

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

Name of dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	4.0 cents per ordinary share	8.0 cents per ordinary share
Tax rate	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	
		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

### (c) Date payable

The Board is proposing a final dividend of 8 cents per share (tax exempt one-tier), which together with the interim dividend of 4 cents (tax exempt one-tier) paid earlier, make a dividend payment of 12 cents per share for financial year 2006-07. Payment of the final dividend, which amounts to \$85.0 million, is subject to shareholders' approval at the Annual General Meeting on 20 July 2007. The dividend will be paid on 7 August 2007.

### (d) Books closure date

Subject to the approval being obtained at the 25th 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 26 July 2007 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 27 July 2007 for the preparation of dividend warrants. The final dividend will be paid on 7 August 2007 to members on the Register as at 26 July 2007.

## 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	
	2006-07	2005-06
	S\$M	S\$M
<b>Business Activities</b>		
Airframe and component overhaul services	591.8	612.4
Line maintenance and technical ground handling	309.5	300.8
Fleet management programmes	76.1	45.9
	977.4	959.1

**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		
	FY2006-07	FY2005-06	Change
	S\$M	S\$M	%
Turnover reported for first half year	492.9	463.5	+6.3
Profit after tax reported for the first half year	137.4	105.9	+29.7
Turnover reported for second half year	484.5	495.6	-2.2
Profit after tax reported for the second half year	104.2	124.5	-16.3

**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)	2006-07	2005-06
Ordinary dividend		
- Interim	42,282	41,091
- Final <sup>#</sup>	<u>84,951</u>	<u>63,247</u>
	127,233	104,338
Special dividend		
- Final	-	210,822
Total:	127,233	315,160

<sup>#</sup> 2006-07 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\$)

FY2006-07

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	-	123,313
SIA Cargo Pte Ltd ( <i>wholly-owned by Singapore Airlines Ltd</i> )	-	4,620
SilkAir Pte Ltd ( <i>wholly-owned by Singapore Airlines Ltd</i> )	-	812
Tiger Airways Pte Ltd ( <i>49% owned by Singapore Airlines Ltd, 11% by Dahlia Investments Pte Ltd which is a wholly-owned subsidiary of Temasek Holdings Pte Ltd</i> )	-	5,000
Senoko Energy Supply Pte Ltd ( <i>100% owned by Senoko Power Limited and ultimately by Temasek Holdings Pte Ltd</i> )	-	4,072
Keppel FMO Pte Ltd ( <i>100% owned by Keppel Integrated Engineering Ltd (KIE), 100% of KIE owned by Keppel Coporation Ltd (KCL) and 32% of KCL is owned by Temasek Holdings Pte Ltd</i> )	-	516
Great Wall Airlines Co Ltd ( <i>25% owned by SIA Cargo Pte Ltd and 24% owned by Dahlia Investments Pte Ltd which is a wholly-owned subsidiary of Temasek Holdings Pte Ltd</i> )	-	22,550
Jetstar & Valuair ( <i>more than 30% held by Fullerton Management and ultimately by Temasek Holdings Pte Ltd</i> )	-	4,000
Republic Advertising Consultants ( <i>100% owned by SNP Corporation Ltd which is 54.29% owned by Green Dot Capital Ltd, which in turn is wholly-owned by Temasek Holdings Pte Ltd</i> )	-	196
<b>Total</b>	-	165,079

### BY ORDER OF THE BOARD

Devika Rani Davar

Company Secretary  
11 May 2007

Singapore Co. Regn. No.: 198201025C

## 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 subsidiaries (collectively, the Group) set out on pages \* to \*, which comprise the balance sheets of the Group and the Company as at 31 March 2007, the statements of changes in equity of the Group and the Company, the profit and loss account and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Directors' Responsibility for the Financial Statements*

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditors' Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

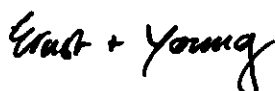
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion,

- (i) 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 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 2007 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries 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 8<sup>th</sup> of May 2007  
Singapore

\* The page numbers are stated in the auditors' report dated 8<sup>th</sup> May 2007 included in the SIA Engineering Company Annual Report for the financial year ended 31 March 2007.