

**SIA ENGINEERING COMPANY LIMITED**

(the "Company" or "SIAEC")  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 198201025C)

**MINUTES OF THE 38<sup>TH</sup> ANNUAL GENERAL MEETING  
HELD BY ELECTRONIC MEANS ON FRIDAY, 17 JULY 2020 AT 11.00 A.M.**

**Present:**

Board of Directors

*In attendance:*

Mr Tang Kin Fei : Chairman, Non-Executive Independent Director ("NEID")  
Chairman, Compensation & HR Committee  
Mr Chew Teck Soon : Director, Chairman of the Audit Committee, NEID  
Mr Ng Chin Hwee : Director and Chief Executive Officer ("CEO")

*Via video conference:*

Mrs Christina Ong : Director, Chairperson of the Nominating Committee, NEID  
Mr Manohar Khiatani : Director, Chairman of the Board Safety & Risk Committee, NEID  
Mr Goh Choon Phong : Director, Non-Executive Director ("NED")  
Dr Raj Thampuran : Director, Chairman of the Technology Advisory Committee, NEID  
Mr Wee Siew Kim : Director, NEID  
Mr Mak Swee Wah : Director, NED  
Mr Chin Yau Seng : Director, NED

Shareholders

*Via live webcast or audio conference:*

As set out in the attendance records maintained by the Company

Management, Company Secretary, Others

*In attendance:*

Ms Lu Ling Ling : Company Secretary

*Via live webcast:*

SIAEC Senior Management

Mr Kenny Tan Choon Wah : KPMG LLP, Auditors

## **1 WELCOME ADDRESS**

- 1.1 A quorum being present, Chairman Mr Tang Kin Fei called the Company's 38<sup>th</sup> Annual General Meeting ("**AGM**") to order at 11.00 a.m. The AGM was convened by electronic means in accordance with relevant regulations. Chairman welcomed all who had joined the AGM by live webcast and audio feed. The Notice of the AGM, which was made available on the SGX and the Company's websites on 25 June 2020, was taken as read.
- 1.2 Voting for all the resolutions tabled at the meeting was made solely by way of proxy. Proxy forms submitted at least 72 hours before the AGM were checked and found to be in order by the Company's share registrar and Tricor Singapore Pte Ltd, the scrutineers.
- 1.3 Chairman thanked shareholders who submitted, in advance of the meeting, questions related to the resolutions tabled. He informed the Meeting that the Company's responses were posted on the SGX and the Company's websites earlier in the morning.
- 1.4 Chairman next introduced his fellow Board members, who were either present in person or via video conference. He then invited CEO, Mr Ng Chin Hwee, to deliver his presentation, which were also posted on the SGX and the Company's websites that morning.

## **2 PRESENTATION BY CEO**

- 2.1 CEO Mr Ng Chin Hwee began his presentation with the key highlights for the financial year ended March 2020, including (i) the extension of a S\$1.4 billion comprehensive Services Agreement with Singapore Airlines in April 2019; (ii) the signing of a 10-year agreement in December 2019 to provide engine Quick Turn and modification embodiment services for Safran's CFM LEAP-1A and LEAP-1B engines at a dedicated facility in Singapore; (iii) the incorporation of an engine overhaul joint venture ("**JV**") with GE Aviation, named GE Aviation, Overhaul Services – Singapore; and (iv) the expansion of the line maintenance business with an agreement to acquire a 49% stake in Pos Aviation Engineering Services in Malaysia and an agreement to form a line maintenance JV with Air Innovation Korea in Korea. With these developments, the Company now has a total of 26 JVs in eight countries, with a combined revenue of S\$5.6 billion in FY19/20.
- 2.2 Mr Ng recapped that the Company started its Transformation journey in 2017 and had made good progress. Over 100 initiatives had been introduced, resulting in significant improvements in operating performance, measured by higher manpower utilisation, improved turnaround time, increased throughput and reduction in operating costs. He expressed gratitude to all staff and union leaders for their strong support to the Transformation efforts and their successful outcomes.
- 2.3 Mr Ng next gave an overview of the impact of the COVID-19 pandemic on the Company, given the devastation to global economies and disruptions to the aviation industry. In February 2020, the Company felt the first impact when there was a 10% decline in flights handled at Changi Airport. However, by April 2020, flights handled had plunged to a historic low of only 10% of the normal load from a year ago. Unlike past crises such as SARS and the Global Financial Crisis, the scale and prolonged impact of the COVID-19 pandemic have a significantly adverse effect across the entire aviation industry,

including OEMs and MROs. All the Group's business segments were impacted. Besides the line maintenance business which was affected by the severe drop in flights handled, the Group's fleet management business was also impacted in April 2020 by a decrease of 96% in customers' aircraft flying hours. For the engines and component shops, lower work inductions are expected in the months ahead. For base maintenance, airlines are looking to preserve cash by extending their maintenance intervals and deferring non-mandatory maintenance activities. As the pandemic continues to affect the economy and travel demand, it remains unclear when recovery will take place and the extent of the recovery.

2.4 Mr Ng elaborated on the Company's immediate priorities across five key areas and its focus on long-term sustainability of the Group's businesses:

i) Business Continuity: During the circuit breaker period imposed by the Singapore Government in April and May 2020, the Group's businesses in Singapore continued to operate as essential service providers to support airline customers. Measures were introduced to ensure the safety and health of all staff and business continuity plans were activated to minimise disruptions to operations. Throughout this period, the Group adhered strictly to the Singapore Government's guidelines on safety measures. With staff working from home, cybersecurity measures were implemented to protect the Company's IT system.

ii) Cost Management: The financial impact of the pandemic was cushioned by the 75% wage support in the Fortitude Budget announced in May 2020. Mr Ng expressed his gratitude to the Government for its support to the aerospace industry. He also thanked the Board of Directors and all staff for standing in solidarity with fees reduction of 25% and pay cuts ranging from 5% to 25%, respectively. To maintain adequate liquidity, the Group had deferred non-critical capital expenditure.

iii) Managing Surplus Manpower: To protect the job of employees, furlough and no pay leave (among several measures) were introduced to manage surplus staff. Staff had been redeployed to areas with work demand and the Company had been working with customer airlines to bring forward their maintenance checks.

iv) Working Closely with Customers and Partners: The Company had been supporting its airline customers by performing preservation maintenance of non-operational aircraft to ensure the good condition of their cabin products and airworthiness of their aircraft. The Company was also performing cabin disinfection work to protect passengers of airline customers, and would continue working with its JVs and partners to support them through this difficult period.

v) Re-skilling the Workforce: With the slowdown in activities, the Company would continue to seize this opportunity to accelerate the upskilling of workforce in the areas of technical, digital, lean-process and analytics competencies.

2.5 Notwithstanding the devastating impact of COVID-19 on the aviation business, Mr Ng said that the Company remained confident that the industry would eventually recover, and that the Company was focused on coming out stronger from the crisis. The Company would continue with the next phase of its Transformation journey, where it would double down its investments in adopting Lean methodology and digitalisation to improve productivity and enable a culture of innovation and continuous improvement. In the area of partnerships and new businesses, the Group would be undertaking a

comprehensive review of its various partnerships to ensure that they remain resilient and relevant to its growth plans in a post COVID-19 aviation industry. Mr Ng said, in conclusion, that with a strong balance sheet and low borrowings, the Group remains on the lookout for new opportunities to strengthen existing capabilities and bring new capabilities.

### **3 ORDINARY BUSINESS**

#### **3.1 RESOLUTION 1: TO RECEIVE AND ADOPT THE DIRECTORS' STATEMENT, THE AUDITED FINANCIAL STATEMENTS AND THE AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

3.1.1 Chairman moved on to the resolutions set out in the Notice of AGM, all of which were ordinary resolutions. Each of the resolutions was decided by way of a poll based on votes under valid proxy forms received by the Company.

3.1.2 Resolution 1 sought shareholders' approval to receive and adopt the Directors' Statement, the Audited Financial Statements and the Auditors' Report, for the financial year ended 31 March 2020.

3.1.3 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,500,500	908,494,500	100.00	6,000	0.00

3.1.4 Based on the results of the poll, Chairman declared Ordinary Resolution 1 carried.

#### **3.2 RESOLUTION 2: TO DECLARE A FINAL ORDINARY DIVIDEND OF 5.0 CENTS PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

3.2.1 Resolution 2 sought shareholders' approval for the payment of the final ordinary dividend of 5.0 cents per ordinary share for the financial year ended 31 March 2020. Together with the interim dividend of 3.0 cents per ordinary share paid earlier, this brought the full-year dividend to 8.0 cents per ordinary share.

3.2.2 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,681,300	908,675,300	100.00	6,000	0.00

3.2.3 Chairman declared Ordinary Resolution 2 carried.

#### **3.3 RESOLUTION 3: TO RE-ELECT DIRECTORS WHO ARE RETIRING BY ROTATION PURSUANT TO ARTICLE 90 OF THE CONSTITUTION OF THE COMPANY (THE "CONSTITUTION")**

3.3.1 Chairman informed that Mr Wee Siew Kim, Mr Goh Choon Phong and himself were retiring pursuant to Article 90. Mr Wee, Mr Goh and Chairman, being eligible for re-election, offered themselves for re-election, pursuant to Article 91.

3.3.2 **Re-election of Mr Tang Kin Fei under Resolution 3.1:** Chairman informed that Mr Chew Teck Soon, Chairman of the Audit Committee, would take over as Chairman of the Meeting for Resolution 3.1. Mr Chew took over the chair and stated that Resolution 3.1 dealt with the re-election of Mr Tang Kin Fei. Upon re-election, Mr Tang, Chairman of the Board and an Independent Director, would continue to serve as the Chairman of the Compensation & HR Committee and as a member of the Board Committee.

3.3.3 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,681,300	908,429,101	99.97	252,199	0.03

3.3.4 Mr Chew declared Ordinary Resolution 3.1 carried. Mr Tang Kin Fei resumed the chair.

3.3.5 **Re-election of Mr Wee Siew Kim under Resolution 3.2:** Chairman informed that upon re-election, Mr Wee, an Independent Director, would continue to serve as a member of the Board Safety & Risk Committee and Compensation & HR Committee.

3.3.6 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,681,300	908,429,101	99.97	252,199	0.03

3.3.7 Chairman declared Ordinary Resolution 3.2 carried.

3.3.8 **Re-election of Mr Goh Choon Phong under Resolution 3.3:** Chairman informed that upon re-election, Mr Goh Choon Phong, a Non-Independent Director, would continue to serve as a member of the Compensation & HR Committee and the Board Committee.

3.3.9 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,681,300	906,032,735	99.71	2,648,565	0.29

3.3.10 Chairman declared Ordinary Resolution 3.3 carried.

#### **4.1 RESOLUTION 4: TO RE-ELECT A DIRECTOR WHO IS RETIRING PURSUANT TO ARTICLE 96 OF THE CONSTITUTION**

4.1.1 Chairman informed that Mr Mak Swee Wah was retiring pursuant to Article 96 of the Constitution and, being eligible, has offered himself for re-election as a Director. Upon re-election, Mr Mak, a Non-Independent Director, would continue to serve as a member of the Board Safety & Risk Committee and the Nominating Committee.

4.1.2 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,681,300	907,535,355	99.87	1,145,945	0.13

4.1.3 Chairman declared Ordinary Resolution 4 carried.

#### **4.5 RESOLUTION 5: TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 MARCH 2021**

4.5.1 Chairman informed shareholders that the quantum of fees recommended (up to \$1,500,000) had remained unchanged since the last AGM and the fees were for services rendered by the Non-Executive Directors on the Board and on the various Board Committees in the current financial year. Non-Executive Directors do not receive any other remuneration nor are they granted any share awards or options. Chairman further explained that the fees due to Mr Goh Choon Phong, Mr Mak Swee Wah and Mr Chin Yau Seng, who hold executive positions in Singapore Airlines Limited ("**SIA**"), would be paid to and retained by SIA. As the CEO of the Company, Mr Ng Chin Hwee does not receive any Director's fees.

4.5.2 Chairman added that in view of the Covid-19 pandemic, in solidarity with Management and staff, the Directors had unanimously agreed to waive 25% of their fees accruing from 1 April 2020. However, approval is being sought for the full amount of \$1.5 Million so that the Directors' fees could be restored if the situation improves or when business recovers during FY2020/21. Until restoration, each Director would receive fees less the amount waived.

4.5.3 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,681,300	908,675,300	100.00	6,000	0.00

4.5.4 Chairman declared Ordinary Resolution 5 carried.

#### **4.6 RESOLUTION 6: TO RE-APPOINT KPMG LLP ("KPMG") AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

4.6.1 Chairman said that KPMG LLP, who are the Auditors of the Company, have expressed their willingness to continue in office. Resolution 6 sought shareholders' approval to re-appoint KPMG LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

4.6.2 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,681,300	908,675,300	100.00	6,000	0.00

4.6.3 Chairman declared Ordinary Resolution 6 carried.

### **5 SPECIAL BUSINESS**

#### **5.1 RESOLUTION 7.1: TO AUTHORISE DIRECTORS TO ISSUE SHARES AND/OR MAKE OR GRANT OFFERS, AGREEMENTS OR OPTIONS THAT MIGHT OR WOULD REQUIRE SHARES TO BE ISSUED PURSUANT TO SECTION 161 OF THE COMPANIES ACT (CAP 50)**

5.1.1 Resolution 7.1 sought shareholders' approval to authorise Directors to issue shares and/or make or grant offers, agreements or options that might or would require shares to be issued pursuant to Section 161 of the Companies Act of Singapore. The number of shares under this Resolution will not exceed 50% of the total number of issued shares of the Company, excluding the treasury shares.

5.1.2 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,681,300	907,655,887	99.89	1,025,413	0.11

5.1.3 Chairman declared Ordinary Resolution 7.1 carried.

#### **5.2 RESOLUTION 7.2: TO AUTHORISE DIRECTORS TO GRANT AWARDS AND ALLOT AND ISSUE SHARES IN ACCORDANCE WITH THE PROVISIONS OF THE SIAEC PERFORMANCE SHARE PLAN 2014 AND/OR THE SIAEC RESTRICTED SHARE PLAN 2014**

5.2.1 Resolution 7.2 authorised the grant of awards under the Company's Performance and Restricted Share Plans 2014, and the allotment and issue of such number of fully paid ordinary shares as may be required on the vesting of the awards under these Share Plans. The Performance Share Plan is awarded to senior management and the Restricted

Share Plan to senior executives. Awards under both Share Plans are subject to the achievement of specific performance targets and are intended to serve as an effective tool to incentivise high performance. The Company sought to enhance value for shareholders by aligning key interests of senior management and senior executives with the interests of shareholders. The overall number of shares awarded under both the Share Plans cannot exceed 5% of the total number of issued shares (excluding treasury shares) over a period of 10 years. Annually, the number of share awards under the Share Plans will not exceed 0.5%. All employees who are eligible for share awards under the two Share Plans had abstained from voting on this motion.

5.2.2 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
908,261,524	905,438,696	99.69	2,822,828	0.31

5.2.3 Chairman declared Ordinary Resolution 7.2 carried.

**5.3 RESOLUTION 7.3: TO APPROVE THE MANDATE FOR INTERESTED PERSON TRANSACTIONS ("IPT MANDATE")**

5.3.1 Resolution 7.3 sought shareholders' approval for the renewal of the Mandate for Interested Person Transactions. The IPT mandate was first adopted in 2000 and last renewed with the approval of shareholders at last year's AGM. The current IPT Mandate was effective till the conclusion of the 2020 AGM. Details of the proposed IPT Mandate were set out in the Letter to shareholders dated 25 June 2020. Chairman explained the rationale for the IPT Mandate and informed that Temasek Holdings (Private) Limited, its subsidiaries and associated companies, including SIA Group companies, which are regarded as Interested Persons, or who are associates of Interested Persons, had abstain from voting on the Resolution.

5.3.2 Results of the poll vote were as follows:

Total number of shares represented by votes cast	For		Against	
	Number of Shares	%	Number of Shares	%
38,681,300	38,675,300	99.98	6,000	0.02

5.3.3 Chairman declared Ordinary Resolution 7.3 carried.

**5.4 RESOLUTION 7.4: TO APPROVE THE SHARE BUY-BACK MANDATE**

5.4.1 Resolution 7.4 sought shareholders' approval for the renewal of the Share Buy Back Mandate. This proposed mandate would enable the Company to purchase or acquire its issued shares. The total number of shares which may be purchased or acquired by the Company pursuant to the Mandate will be limited to 2% of the issued shares (excluding treasury shares) as at the date of this Meeting.



5.4.2 Results of the poll vote were as follows:

<b>Total number of shares represented by votes cast</b>	<b>For</b>		<b>Against</b>	
	Number of Shares	%	Number of Shares	%
908,634,800	908,628,800	100.00	6,000	0.00

5.4.3 Chairman declared Ordinary Resolution 7.4 carried.

## **6 CLOSE OF MEETING**

6.1 There being no further business to transact, Chairman closed the 38<sup>th</sup> AGM at 11.45 a.m. and thanked everyone for their virtual participation.