



SIA ENGINEERING COMPANY AND PRATT & WHITNEY INTEGRATE SINGAPORE JOINT VENTURES

SINGAPORE, 1 November 2016 - Mainboard-listed SIA Engineering Company Limited (“**SIAEC**” or the “**Company**”) today announced it has, together with its joint venture partner Pratt & Whitney (“**P&W**”) agreed to integrate the operations of their Singapore based joint venture companies, Component Aerospace Singapore Pte. Ltd. (“**CAS**”) and International Aerospace Tubes-Asia Pte. Ltd. (“**IAT-A**”), with CAS being the entity to hold the businesses and capabilities of IAT-A (“**Integration**”).

CAS, incorporated in February 1994, is a joint venture of P&W (51%) and SIAEC (49%) for the repair and overhaul of combustor and fuel nozzles for PW4000, V2500 and CFM56 engines. IAT-A, incorporated in February 2002 by P&W (67.7%) and SIAEC (33.3%), repairs PW4000, V2500 and CFM56 engines tubes, ducts and manifolds.

The integrated entity, CAS, will be able to generate improved operational efficiencies, economies of scale and synergies from better allocation of resources and streamlining of business processes.

In line with the Integration, SIAEC has entered into an agreement to sell 2.575% of the shares in CAS (“**CAS Sale Shares**”) to P&W for a total consideration of approximately US\$2.7M in cash. Based on CAS’s audited financial statements for the financial year ended 30 November 2015, the net tangible asset value of the CAS Sale Shares is US\$1.2M. The cash consideration for the sale, which was based on the valuation of the integrated entity, was determined on an arm’s length basis and validated by an independent valuer. SIAEC’s shareholding in CAS will be 46.425% after the completion of the sale on 30 November 2016. Subsequent to the transfer of IAT-A’s existing business to CAS, IAT-A will be liquidated.

The Integration and the sale of CAS shares are not expected to have a material impact on SIAEC’s financial performance in FY2016/17. None of the Directors of SIAEC has any interest, direct or indirect, in the transactions.

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About SIA Engineering Company

(Company Registration No. 198201025C)

www.siaec.com.sg

SIA Engineering Company (SIAEC) is a major provider of aircraft maintenance, repair and overhaul (MRO) services in Asia-Pacific. SIAEC has a client base of more than 80 international carriers and aerospace equipment manufacturers. It provides line maintenance services at 35 airports in 7 countries, as well as airframe and component services on some of the most advanced and widely used commercial aircraft in the world. Apart from MRO services, SIAEC also offers a comprehensive and integrated suite of solutions under its fleet management services.

The 25 subsidiaries and joint ventures with original equipment manufacturers and strategic partners in Singapore, Australia, Hong Kong, Indonesia, Philippines, United States, Taiwan and Vietnam increase the depth and breadth of the Company's service offerings. SIAEC has approvals from 27 national aviation regulatory authorities to provide MRO services for aircraft registered in the U.S., Europe, China and other countries.

For further information:

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