



SIA Engineering Company signs MOU for Vietnam joint venture

- *The joint venture in Vietnam will be SIA Engineering Company's fifth line maintenance initiative outside Singapore*

SINGAPORE, 2 November 2007 - Mainboard-listed **SIA Engineering Company Limited** has signed a Memorandum of Understanding (MOU) with Saigon Ground Services (SAGS), a division of the Southern Airport Authorities, to form a line maintenance joint venture at Tan Son Nhat International Airport in Ho Chi Minh City, Vietnam.

Under the MOU, SIA Engineering Company shall hold a 49% equity shareholding in the joint venture, with the remaining 51% owned by SAGS.

The joint venture shall provide line maintenance aircraft certifications to airlines at Tan Son Nhat International Airport. Subject to viability, the joint venture would expand its presence to other airports in Vietnam and widen its service offerings at a later stage to include light and heavy maintenance checks, as well as component overhaul services.

SIA Engineering Company's Chief Executive Officer, Mr William Tan said: "We are delighted to partner Saigon Ground Services, which offers airport ground services to a wide customer base at Tan Son Nhat International Airport. Tapping on our engineering expertise, the joint venture will provide aircraft certifications and deliver a high level of despatch reliability to international airlines at Ho Chi Minh City."

"This is our fifth overseas line maintenance joint venture. The initiative will strengthen our line maintenance network in the Asia-Pacific region, which currently covers more than 40 airports in Singapore, Australia, China, Indonesia and the Philippines", Mr Tan added.

Mr Nguyen Dinh Hung, Director of SAGS, said: "This line maintenance joint venture with SIA Engineering Company is SAGS' first joint venture at Tan Son Nhat International Airport, which paves the way for the enhancement of services provided at the airport. The joint venture will set new line maintenance standards not only at the airport but also in Vietnam, leading to the overall success of Vietnam's aviation industry."

Both parties will proceed to work out the details of the definitive agreement for the transaction.

The transaction is not expected to have a material impact on the Company's financial performance in FY2007/08. None of the Directors of the Company has any interest, direct or indirect, in the transaction.

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 services in Asia Pacific. The company has a client base of more than 80 international carriers and aerospace equipment manufacturers. It provides line maintenance services at Singapore Changi Airport for more than 60 international carriers, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world. The Company achieved a revenue of S\$977 million in FY2006/2007.

20 joint ventures with original equipment manufacturers and strategic partners in Singapore, Australia, Ireland, Hong Kong, Taiwan, Philippines, Indonesia and Vietnam increase the depth and breadth of the company's comprehensive service offerings. The combined revenue of the SIAEC's joint ventures is approximately S\$2.4 billion in FY2006/2007, with 71 percent derived from airlines outside the Singapore Airlines Group.

About Saigon Ground Services

(Company Registration No. 4116000445)

www.sags-saa.com

Saigon Ground Services (SAGS) comes under the purview of Southern Airports Authority (SAA) & Civil Aviation Administration of Vietnam (CAAV). SAGS is a professional ground handling company providing a full range of ground services to international carriers at Tan Son Nhat International Airport, Ho Chi Minh City, Vietnam. SAGS will be expanding ground services to other airports within the jurisdiction of SAA. Presently, some of these airports are under construction or upgrading into international airports, including a new world class airport to be built in Long Thanh after 2010. SAGS has a large base of international airline customers. Some of these customers include United Airlines, Asiana Airlines, All Nippon Airways, Qatar Airways and Cargolux Airlines.

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