



SIA Engineering Company embarks upon B747-400 freighter conversion business

- *SIAEC seeking significant market share in B747-400 freighter conversion*
- *Complete suite of MRO services fortifies SIAEC's position as pre-eminent MRO service provider of the Asia-Pacific*

SINGAPORE – 6 May 2004 -- Mainboard-listed **SIA Engineering Company Limited (SIAEC)** today announced it is embarking on B747-400 passenger-to-freighter (PTF) conversion as part of its strategy to offer a complete suite of maintenance, repair and overhaul (MRO) services at its one-stop Singapore maintenance hub.

SIAEC's initial freighter conversions will involve the B747-400 aircraft that Hong Kong-based airline Dragonair is buying from Singapore Airlines. The aircraft, which will be among the world's first B747-400 passenger airliners to be converted to freighters, will be progressively delivered to Dragonair from 2006 to 2008.

Mr William Tan, Chief Executive Officer of SIAEC, said: "In collaboration with Boeing, SIAEC will be among the first in the world to perform B747-400 freighter conversion. With first-mover advantage, we are seeking a significant market share of the B747-400 PTF business. This new capability will also position us favourably in attracting post-conversion maintenance work and tapping the growing market for large modification projects, including major cabin refurbishment.

“With this strategic initiative, the SIAEC Group will offer the full MRO value chain, covering airframe and line maintenance, component and engine overhaul, conversions and modifications, as well as engineering management. This will fortify SIAEC’s status as a pre-eminent MRO service provider in the Asia-Pacific”, Mr Tan added.

To propel its entry into the freighter conversion market, the Company is currently constructing two additional hangars, one of which will be dedicated to freighter conversions.

About SIA Engineering Company

SIA Engineering Company is a major provider of aircraft maintenance, repair and overhaul (MRO) 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 220 flights daily, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world. For the financial year ended 31 March 2003, turnover for the Company reached S\$878 million.

17 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, China, Hongkong, Taiwan and Indonesia increases the depth and breadth of the Company’s comprehensive service offerings. The combined revenue of these joint ventures is approximately S\$2 billion in FY2002/03, with 73% coming from non-Singapore Airlines customers.

SIA Engineering Company has approvals from 23 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States of America, major European countries and Japan, among others.

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