



SIA Engineering signs MOU for joint venture with hydraulics parts specialist Parker Hannifin

- *Parker's first comprehensive repair and overhaul centre for hydraulics in the Asia-Pacific region*
- *Reinforces Singapore's position as Asia-Pacific's leading aerospace hub*

SINGAPORE, 10 December 2004 – Mainboard-listed **SIA Engineering Company Limited** has signed a Memorandum of Understanding (MOU) with Parker Hannifin Corporation to establish a joint venture to provide maintenance, repair and overhaul (MRO) of hydro-mechanical components produced by Parker Aerospace, a division of Parker Hannifin Corporation.

Under the MOU, signed by Mr. William Tan, Chief Executive Officer of SIA Engineering Company (SIAEC), and Mr. Robert Barker, President of Parker Aerospace, SIAEC will have a 51% stake in the yet-to-be-named joint venture, while Parker Hannifin Corporation will hold the remaining 49%.

The Singapore-based joint venture will be the Centre of Excellence in Asia for Parker Aerospace's hydro-mechanical components used in the hydraulic, flight controls and landing gear systems of Airbus and Boeing commercial aircraft. This facility will be able to support the new Airbus A380 super-jumbo and Boeing B7E7 Dreamliner aircraft.

The joint venture will add an exciting new dimension to SIAEC's list of MRO capabilities, as hydro-mechanics are vital to any aircraft. Besides complementing the Company's total MRO support strategy, the joint venture - which hopes to capture the hydraulics overhaul market in the region – also reinforces Singapore's lead position as Asia-Pacific's aviation hub.

The joint venture will develop and design the latest state-of-the-art MRO processes for hydro-mechanical components, and will cater to a growing market of new-generation aircraft operated by Asian carriers.

Following the signing of the MOU, SIA Engineering Company and Parker Hannifin Corporation will work on the details of the joint venture agreement.



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 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.

17 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, China, Hong Kong, Taiwan and Indonesia increase the depth and breadth of the Company's comprehensive service offerings. The combined revenue of the Group's joint ventures is approximately S\$2 billion in FY2003/04, with 77% coming from non-Singapore Airlines (SIA) customers. Taking into account SIA Engineering Company's equity holding in its joint ventures, non-SIA customers contributed approximately 41% of SIA Engineering Group's business.

SIA Engineering Company has approvals from 25 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States of America, major European countries and Japan, among others.

About Parker Hannifin Corporation

With annual sales exceeding \$7 billion, Parker Hannifin is the world's leading diversified manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of commercial, mobile, industrial and aerospace markets. The company employs more than 48,000 people in 44 countries around the world.

About Parker Aerospace

An operating segment of Parker Hannifin Corporation, Parker Aerospace designs, manufactures, and services hydraulic, fuel, and pneumatic systems and components for aerospace and other high-technology markets. Based in Irvine, California, its product lines include flight control actuation systems and components, thrust-reverser actuation systems, electrohydraulic servovalves, utility hydraulic systems and components, DC motor pumps, fuel pumps, lubrication and scavenge pumps, fuel measurement and management systems, cockpit instrumentation, flight inspection systems, pneumatic subsystems and components, fluid metering delivery and atomization devices, and wheels and brakes.

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