



SIA Engineering Company Signs S\$350 million Services Agreement with SilkAir

SINGAPORE, 12 February 2014 - Mainboard-listed **SIA Engineering Company Limited** (SIAEC) is pleased to announce the signing of a new Services Agreement with SilkAir.

The agreement covers a broad spectrum of maintenance, repair and overhaul (MRO) and fleet management services for SilkAir's new fleet of B737NG aircraft. The MRO services portion of the agreement is firm for five years, with a seven-year extension if agreed conditions are met. The agreement for fleet management service is firm for twelve years. The total value of the contract is S\$350 million.

Mr William Tan, Chief Executive Officer of SIAEC, said: "This new Services Agreement, covering the entry-into-service of SilkAir's latest new-generation fleet of aircraft, reaffirms our commitment to work closely with the Airline to uphold its engineering excellence."

"SilkAir is a valued partner of SIAEC's fleet management programme (FMP), which has seen impressive growths in recent years and today, places SIAEC as one of the world's largest FMP service providers. An expanding pool of airlines is attracted by the integrated total care services offered under our FMP, which bundles MRO services with 24/7 fleet management support. Indeed, the economies of scale derived from our high-volume operations enable us to provide SilkAir with high despatch reliability and seamless technical support across our global network of line maintenance stations," Mr Tan added.

Mr Leslie Thng, Chief Executive of SilkAir, said: "We are confident that SIAEC has the capabilities to provide outstanding support for our growing fleet and are happy to continue to work with them."

SIAEC's FMP business currently services 12 airlines with a fleet coverage of more than 150 aircraft. With more than half of the fleet operated by non-SIA airlines, spanning across Asia, Australia and the United States, the Company is focused on growing the third-party content of its business and extending the global footprint of the SIAEC Group.

The transaction is not expected to have a material impact on the Company's financial performance in FY2013/14. Two of our Directors, Mr Stephen Lee and Mr Goh Choon Phong, are also directors of SIA, the parent company of Silkair. Other than that, the directors have no interest, whether 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 (MRO) services in the Asia-Pacific. The Company has a client base of more than 80 international carriers and aerospace equipment manufacturers. It provides line maintenance services at 34 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 offering a comprehensive spectrum of MRO services to airlines, SIAEC has established itself as one of the world's largest fleet management service providers.

25 ventures with original equipment manufacturers and strategic partners in Singapore, Australia, Hong Kong, Indonesia, Ireland, Philippines, United States, Taiwan and Vietnam increase the depth and breadth of the Company's service offerings. SIAEC has approvals from 26 national aviation regulatory authorities to provide MRO services for aircraft registered in the U.S., Europe and Japan, among others.

About SilkAir

As the regional wing of Singapore Airlines, SilkAir operates the Singapore Airlines Group's narrowbody fleet and extends the Group network by seeding and developing new, exciting destinations in Asia Pacific.

The airline took to the skies in February 1989 as Tradewinds the Airline, before evolving into SilkAir in 1992. In its early days, the airline catered to passengers holidaying in exotic destinations in the region, including Phuket and Tioman. As the carrier developed, regional business destinations such as Phnom Penh, Yangon and Kuala Lumpur were added.

Today, the full service airline operates more than 350 weekly flights to 45 destinations in 12 countries. Recent additions to the network include Semarang (July 2013), Makassar (August 2013) and Yogyakarta (November 2013). The airline currently has a fleet of 25 Aircraft, comprising 6 Airbus 319s, 18 Airbus 320s and 1 Boeing 737-800. In August 2012, the airline announced the largest order in its history of up to 68 Boeing 737 aircraft, with firm orders comprising 23 Boeing 737-800s and 31 Boeing 737 MAX 8s.

For more details visit silkair.com or <http://www.facebook.com/SilkAir>

For further information:

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