



17 October 2002

SIA ENGINEERING TERMINATES DISCUSSIONS TO ACQUIRE GAMECO STAKE

SIA Engineering terminates discussions to acquire GAMECO stake

SINGAPORE, 17 October 2002 – In April 2002, SIA Engineering Company Limited announced the signing of a conditional agreement with Lockheed Martin Aeronautics Service International (“Lockheed Martin”) to acquire Lockheed Martin’s entire 25% stake in Guangzhou Aircraft Maintenance Engineering Company (“GAMECO”). The agreement was subject to, amongst other things, the consent of GAMECO shareholders as well as the receipt of necessary regulatory and government approvals.

As consent of one GAMECO shareholder has not been secured, SIA Engineering Company has terminated the conditional agreement with Lockheed Martin to acquire their its stake.

SIA Engineering Company continues to evaluate opportunities to achieve growth through ongoing investments in joint ventures and offshore facilities, which to extend its service offerings and geographical footprint.

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 about 220 flights daily, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world.

16 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, China, Hongkong and Taiwan increase the depth and breadth of the Company’s comprehensive service offerings. The combined revenue of these joint ventures is approximately \$1.0 billion for the first half of FY2002/03, with 71% coming from non-Singapore Airlines customers. Taking into account SIA Engineering Company’s equity holding in its joint ventures, non-SIA customers contributed

approximately 33% of SIA Engineering Group's business.

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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