



SIAEC subsidiary Singapore JAMCO undergoes internal restructuring

A. INTRODUCTION

SINGAPORE, 16 May 2014 – SIA Engineering Company Limited ("**SIAEC**" or the "**Company**") has commenced the restructuring of the businesses of Singapore Jamco Private Limited ("**SJAMCO**") ("**Restructuring**").

SJAMCO is currently held by the Company, JAMCO Corporation ("**JAMCO**") and Itochu Corporation ("**Itochu**") in the proportion of 65%, 30% and 5% respectively. SJAMCO currently operates 2 core businesses: (i) the manufacture of galley equipment and seats, and (ii) services related to the maintenance of cabin and aircraft support equipment ("**Services Business**").

For the purpose of the Restructuring, the Company, JAMCO and Itochu have incorporated in Singapore a new company, Singapore Jamco Services Private Limited ("**SJAMCO Services**"), based on their current shareholding interest in SJAMCO.

The Restructuring will enable both SJAMCO and SJAMCO Services to enhance the focus on their respective core competencies.

B. BUSINESS TRANSFER

As part of the Restructuring, SJAMCO Services has completed the purchase of the Services Business and its related assets from SJAMCO ("**Business Transfer**") on 16 May 2014.

The aggregate consideration for the transfer of the Services Business shall be wholly satisfied by the allotment and issuance of 6,705,760 ordinary shares in the capital of SJAMCO Services ("**SJAMCO Services Shares**") to SIAEC, JAMCO and Itochu ("**Aggregate Consideration**") based on the proportion of their shareholding interest in SJAMCO, as directed by SJAMCO, at an issue price of S\$1.00 for each SJAMCO Services Share. The book value of each SJAMCO Services Share is S\$1.00.

The Aggregate Consideration was arrived taking into account, *inter alia*, the net book value of the Services Business of S\$6,705,760 based on the financial statements of SJAMCO as at 31 March 2014.

C. SHARE SWAP WITH JAMCO

Subsequent to the completion of the Business Transfer, and pursuant to a share swap agreement entered into between the Company and JAMCO, the Company will transfer 1,980,000 ordinary shares in the capital in SJAMCO ("**SJAMCO Sale Shares**") to JAMCO for an aggregate consideration which shall be wholly satisfied by (i) the transfer of 670,586 SJAMCO Services Shares from JAMCO to the Company; and (ii) a cash amount of S\$6,666,871 which shall be paid by JAMCO to the Company ("**Share Swap**").

The aggregate consideration for the Share Swap was arrived following negotiations on an arm's length and willing-buyer and willing-seller basis, taking into account, *inter alia*, the market value of the "Manufacturing" business and the Services Business based on the financial statements of SJAMCO as at 31 March 2014.

The book value of the SJAMCO Sale Shares disposed by the Company pursuant to the Share Swap is S\$4,911,026.

The book value of the SJAMCO Services Shares acquired by the Company pursuant to the Share Swap is S\$670,576.

D. SHARE PURCHASE WITH ITOCHU

In addition, the Company will also enter into a share purchase agreement with Itochu for the purchase of 335,293 SJAMCO Services Shares ("**SJAMCO Services Sale Shares**"), which represents all of Itochu's shareholding interest in SJAMCO Services ("**Share Purchase**"). The consideration for the Share Purchase shall be a cash amount of S\$1,127,500 to be paid by the Company to Itochu.

The consideration for the SJAMCO Services Sale Shares was arrived following negotiations on an arm's length and willing-buyer and willing-seller basis, taking into account, *inter alia*, the market value of the "Manufacturing" business and the Services Business based on the financial statements of SJAMCO as at 31 March 2014.

The book value of the SJAMCO Services Sales Shares purchased by the Company is S\$335,288.

E. COMPLETION

The completion date of the Share Swap and the Share Purchase is 19 May 2014 ("**Completion**"). Upon the Completion:

- (i) the Company, JAMCO and Itochu shall hold 20%, 75% and 5% respectively of the total issued share capital in SJAMCO; and
- (ii) the Company and JAMCO shall hold 80% and 20% respectively of the total issued share capital in SJAMCO Services.

Accordingly, SJAMCO will cease to be a subsidiary of the Company upon Completion.

The Restructuring is not expected to have a material impact on the Company's net tangible assets and earnings per share for the financial year ended 31 March 2015.

None of the Directors of the Company has any interest, whether direct or indirect, in the Restructuring.

Copies of the relevant agreements relating to the Restructuring are available for inspection at the registered office of the Company during normal office hours.

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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 Singapore Jamco

(Company Registration No. 198800322W)

www.sinjam.com.sg

SJAMCO is a joint venture company of SIA Engineering Company Limited (65%), JAMCO Corporation (30%) and Itochu Corporation (5%).

Since its inception in 1988, SJAMCO has specialised in the design, manufacture, maintenance and repair of aircraft galleys, galley equipment and interior furnishings for narrow-body, single-aisle aircraft.

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