



20 March 2001

SIAEC REDUCES INVESTMENT IN JOINT VENTURE

SIAEC reduces investment in Joint Venture

Singapore, 20 March 2001 - SIA Engineering Company (SIAEC) announced it has today sold a 4.09 per cent shareholding interest being part of its 9.09 per cent stake in Taikoo (Xiamen) Aircraft Engineering Company Limited (TAECO) to Hong Kong Aircraft Engineering Company Limited (HAECO) for US\$3.35 million. The estimated gain on the sale of the 4.09% per cent shareholding is US\$1.5 million. As a shareholder of 5 per cent equity, SIAEC will continue to appoint one Director to the TAECO Board.

SIAEC acquired its TAECO investment in 1993; the other shareholders are Xiamen Aviation Industry Company, Hong Kong Aircraft Engineering Company, Cathay Pacific Airways, Beijing Kai Lan Technology Development Services Company, Japan Airlines and The Boeing Company. Airline and airline-related stakeholders have an obligation to contribute a specified amount of work, depending on equity holding, to the TAECO facility yearly.

With more work being done internally, the Company had reduced its workload contribution to TAECO, and accordingly proportionately reduced its stake in TAECO.

For further information, please contact:

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