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SIA ENGINEERING TO INVEST US\$4M IN AEROSPACE TUBES JOINT VENTURE

SIA Engg to invest US\$4m in aerospace tubes joint venture

The only facility of its kind in Asia to tap regional market niche

SINGAPORE – 22 February 2002 -- Mainboard-listed SIA Engineering Company Limited (SIA Engg) today formalised a joint venture with International Aerospace Tubes (IAT) to repair aerospace tubes, ducts and manifolds, commonly known in the aircraft maintenance industry as “tubes”.

Called IAT-Asia, the joint venture is one-third owned by SIA Engg, with the remaining two-thirds held by IAT, a joint venture between Pratt & Whitney (P&W) and Tube Processing Corp (TPC).

IAT-Asia, which will have a paid-up capital of US\$12 million, will initially repair tubes used on P&W’s family of aircraft engines (specific models: JT8D, JT9D, PW2000 & PW4000). The company plans to expand its range of capabilities to include other manufacturers’ engines such as General Electric, CFM and IAE (CF6, CFM56 & V2500 models) when its customer base increases. The first in Asia to offer such services, IAT-Asia will expand its range of repair services to include airframe tubes in the near future.

Mr. William Tan, Chief Executive Officer of SIA Engg said: "IAT-Asia’s presence in this region will provide a much-awaited service to airlines based in Asia, offering them faster turnaround time and lower repair costs."

“IAT-Asia is the 16th in our stable of joint ventures with strategic partners, who are leading original equipment manufacturers and specialists in cutting-edge aviation technology. Collectively, these joint ventures bring critical support services close to SIA Engg’s main centre for airframe and component overhaul maintenance at its Singapore-based hangars. It is noteworthy that our hangars are fully booked for the remaining two months of FY01/02 and 85% committed for FY02/03,” Mr Tan added.

“We are excited about expanding P&W’s presence in Singapore through this joint venture,” said Mr Robert F. Leduc, P&W Chief Operating Officer and President of P&W’s engines business. “IAT-Asia

enables us to bring our repair capabilities closer to our customers in Asia.”

“It also gives us the opportunity to combine our strengths with those of two leaders in aerospace overhaul and repair, TPC and SIA Engg,” he said.

“TPC is very pleased to expand its overhaul and repair support activities to this strategic part of the Aerospace Globe,” said Mr George Seybert, Chairman and owner of TPC. Mr Seybert added, “It would be very difficult to bring this type of world class re-manufacturing to our Asian customers without the critical partnerships of SIA Engg and P&W.”

IAT-Asia’s facility, to be located near Changi Airport, will be equipped with the latest tube processing technology. The company will spend approximately US\$9 million in the first two years, and projects a capital expenditure of over US\$20 million for investments in plant and equipment for the next 10 years.

IAT-Asia expects revenues to reach approximately US\$5 million in its first full year of operations, and to grow to US\$30 million in 10 years.

The facility, expected to be ready at the end of this year, will have a workforce of 30, mainly Singaporean workers. At full capacity, the company is expected to employ some 80 highly-skilled workers.

In 2001, SIA Engg’s joint ventures in Singapore, China, Hongkong, Taiwan and Ireland have a total of approximately S\$1.5 billion in revenue, with 75 per cent derived from airlines outside the Singapore Airlines Group. Collectively, these 16 joint venture companies employ 4,300 engineers, technicians and executives, a third of whom are based in Singapore. The total strength of the SIA Engg Group workforce, including those employed by the joint ventures, is 9,000.

For the current financial year ending 31 March 2002, SIA Engg is expected to see its share of profits from subsidiary and associated companies rise substantially, thereby contributing to a larger proportion of SIA Engg’s consolidated net profit. The SIA Engg Group also aims to increase the proportion of business from outside the SIA Group. Taking into account SIA Engg’s equity holding in its joint ventures, third-parties currently contribute approximately 31% of SIA Engg Group’s business.

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.

About Pratt & Whitney

Pratt & Whitney, a United Technologies company (NYSE:UTX), is a world leader in the design, manufacture and service of aircraft engines, space propulsion systems and industrial gas turbines.

About Tube Processing Corp

Based in Indianapolis, privately-owned TPC manufactures engine ducts and other sheet metal products and machine fittings for both aerospace and commercial engine markets for OEMs such as Pratt & Whitney, General Electric, and Rolls Royce. TPC also performs enhanced engine component repairs typically not specified by OEMS.

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