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## **SIAEC TO JOIN HAECO VENTURE**

New Partner to Join Hong Kong Repair and Overhaul Venture

(24 February 2000) SIA Engineering Company Private Limited (SIAEC) is to become a 10 percent stakeholder in Hong Kong Aero Engine Services Ltd (HAESL), the repair and overhaul joint venture owned by Rolls-Royce plc and Hong Kong Aircraft Engineering Company (HAECO).

Created in 1995, HAESL's 130,000 square foot facility, located in Tseung Kwan O, incorporates one of Asia's largest test cells, capable of testing engines up to 130,000lb thrust. This is the 12th overseas venture for SIAEC and follows its strategy to partner with leading original equipment manufacturers, offering customers enhanced repair and overhaul capability.

With a capability to handle up to 300 engines per year, HAESL provides a focal point for the repair and overhaul of Rolls-Royce Trent, RB211 and IAE V2500 engines for the growing number of Rolls-Royce and IAE customers across the Asia Pacific region. By the beginning of this year, seven of the region's airline customers, including Cathay Pacific and Singapore Airlines, had ordered in excess of 300 Trent engines.

Mervyn Sirisena, Acting Chief Executive, SIAEC, said: 'Our business strategy is to broaden our scope of aircraft maintenance, overhaul and repair capabilities and build up capability in engine overhaul and detailed parts repair. With our strategic partners with original equipment manufacturers, we are able to provide to our customers a full range of MRO capabilities on aircraft, engines and components coupled with reliability and dependability at competitive prices. Our joint venture with Rolls-Royce and HAECO is further evidence of our commitment to this strategy.'

SIAEC is already a partner with Rolls-Royce and HAESL in Singapore Aero Engine Services Ltd (SAESL), the new Trent engine repair and overhaul facility at Singapore's Changi Airport due to open in 2002.

SIAEC and Rolls-Royce are also 50:50 partners in International Engine Component Overhaul (IECO), which refurbishes nozzle guide vanes and compressor stator vanes. In 1999, IECO achieved an impressive S\$8 million in its first year of operations, with further growth of 30 per cent forecast during this year.

Ian Lloyd, Managing Director, Rolls-Royce Aero Repair and Overhaul said: "This is a welcome third partnership for Rolls-Royce and SIAEC and extends the strategic links which Rolls-Royce has established in this important region."

HAECO Finance Director, Peter Kilgour said: "We welcome SIAEC's participation in HAESL, which already has a worldwide reputation in engine overhaul services, with revenues of US\$180 million from 20 customers. We look forward to working closely together."

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