



SIA Engineering Company invests \$120 million to increase maintenance capacity

- *Up to 800 new jobs created as it gears up for industry recovery and new-generation aircraft coming into service*

SINGAPORE – 24 February 2004 – Mainboard-listed **SIA Engineering Company Limited** (SIAEC) today announced that it is investing up to \$120 million to expand its airframe maintenance capacity at Singapore Changi Airport. This will enable the Company to capture a larger slice of the global maintenance, repair and overhaul (MRO) business.

This investment includes the construction of two new hangars, equipped to handle the latest jets, such as the A340-500 recently launched by Singapore Airlines, as well as the latest fittings, state-of-the art workshop test equipment and the training of new engineers and technicians.

SIAEC expects to recruit up to 800 engineers, technicians and support staff to operate the expanded hangar and workshop capacity. They will be provided with intensive training to acquire the skills and licence coverage on new-generation aircraft, such as the A340-500 and A380.

The construction of SIAEC's 4th and 5th hangars represents a launch platform for the next phase of growth for the Company, which will further expand capacity and capabilities, and deliver more innovative services to meet customer needs. The Company's new 4th hangar will be completed by the end of 2004 while the 5th hangar will be ready in the first half of 2005. Both hangars will increase SIAEC's airframe maintenance capacity by 30%.



New-generation aircraft are manufactured with new materials and processes, and fitted with an increasing level of computerisation. SIAEC's goal is to continually climb up the technology ladder, focusing on the latest commercial aircraft. This gives the Company first-mover advantage in the global MRO market and fortifies Singapore's position as the pre-eminent MRO hub of the Asia-Pacific.

SIAEC's strategy of building hangars specialising on the latest aircraft types has shortened turnaround times and benefited customers. Its third hangar, which was launched in 2002, was able to reduce the time required to complete a B777 heavy maintenance check from 31 days to just 19 days, as it was designed with specialised dockings for the B777 and supported by SIAEC's comprehensive array of in-house workshops.

The Company's growth strategy is based on forming strategic alliances with key, world-class partners. This strategy has seen the emergence of 17 joint ventures in five countries, covering the entire spectrum of aircraft, engine and component maintenance. Eleven of these joint ventures are in Singapore, where a total of \$500 million has been invested by SIA Engineering Company and its partners in the last five years. Today, the SIA Engineering Company Group contributes approximately \$2 billion or half of Singapore's MRO output, and employs 6,000 workers, half of the local workforce in the aerospace industry.

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**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 220 flights daily, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world. For the financial year ended 31 March 2003, turnover for the Company reached S\$878 million.

17 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, China, Hongkong, Taiwan and Indonesia increase the depth and breadth of the Company's comprehensive service offerings. The combined revenue of these joint ventures is approximately S\$2 billion in FY2002/03, with 73% coming from non-Singapore Airlines customers.

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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