



SIA Engineering Company establishes line maintenance foothold in Vietnam

Sixth overseas line maintenance joint venture augments SIAEC's extensive network

SINGAPORE, 24 February 2009 - Mainboard-listed **SIA Engineering Company Limited (SIAEC)** today announced it has signed an agreement with Saigon Ground Services (SAGS), a subsidiary of the Southern Airports Corporation (SAC), to form a line maintenance joint venture at Tan Son Nhat International Airport in Ho Chi Minh City, Vietnam.

Under the agreement, SIAEC will hold a 49% equity shareholding in the joint venture, with the remaining 51% owned by SAGS, a state-owned enterprise.

The agreement paves the way for the setting up of line maintenance operations at Tan Son Nhat International Airport, the largest and busiest airport in Vietnam. Subject to economic conditions and business viability, the joint venture may expand its presence to other airports in Vietnam and widen its service offerings at a later stage to include maintenance checks and component overhaul services.

SIAEC's Chief Executive Officer, Mr William Tan said: "We are delighted to partner Saigon Ground Services (SAGS), a major ground services provider at Tan Son Nhat International Airport, in setting up the first line maintenance joint venture in Vietnam. This pioneering initiative is testimony to the vision of the Southern Airports Corporation (SAC), the Civil Aviation Administration of Vietnam (CAAV) and the Vietnam Ministry of Transport (MOT) to grow the aviation sector of this country. SIA Engineering Company is privileged and honoured to be the chosen partner. While the prevailing operating environment undoubtedly presents challenges, the intrinsic strengths of our partner, coupled with its network and knowledge of local operations, will stand the joint venture in good stead for the long term.

"The establishment of a line maintenance foothold in Vietnam will augment SIAEC's line maintenance network in the Asia-Pacific, which covers more than 40 airports in Singapore, Australia, China, Indonesia and the Philippines," Mr Tan added.

Mr Nguyen Dinh Hung, Director of SAGS, said: "We have chosen SIA Engineering Company for its wealth of experience and excellent track record of high quality engineering services. The joint venture will further enhance the level of airline support provided at the airport, giving added confidence to the more than 40 international airlines and domestic airlines flying here. We are certain that the enhanced levels of services and technical excellence will contribute positively to the success of Vietnam's aviation industry."

The transaction is not expected to have a material impact on the Company's financial performance in FY2008/09. None of the Directors of the Company has any interest, direct or indirect, in the transaction.



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 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 more than 60 international carriers, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world. The Company achieved a revenue of S\$1,010 million in FY2007/2008.

23 ventures with original equipment manufacturers and strategic partners in Singapore, the Philippines, Australia, Ireland, United States, Hong Kong, Taiwan, Indonesia and Vietnam increase the depth and breadth of the Company's comprehensive service offerings. The combined revenue of SIAEC's ventures is approximately S\$2.7 billion in FY2007/2008, with 75 percent derived from airlines outside the Singapore Airlines Group.

SIAEC has approvals from 25 national aviation regulatory authorities to provide MRO services for aircraft registered in the U.S., Europe and Japan, among others.

About Saigon Ground Services

(Company Registration No. 4116000445)

www.sags-saa.com

Saigon Ground Services (SAGS) comes under the purview of Southern Airports Corporation (SAC) & the Ministry of Transport (MOT). SAGS is a professional ground handling company providing a full range of ground services to international and domestic carriers at Tan Son Nhat International Airport, Ho Chi Minh City, Vietnam. SAGS will be expanding ground services to other airports within the jurisdiction of SAC. Presently, some of these airports are under construction or upgrading into international airports, including a new world class airport to be built in Long Thanh after 2010. SAGS has a large base of international airline customers. Some of these customers include United Airlines, Asiana Airlines, All Nippon Airways, Qatar Airways, Royal Brunei Airlines and Cargolux Airlines.

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