

## **Divestment of 5% Stake in Taikoo (Xiamen) Aircraft Engineering Company Limited**

The Board of Directors of SIA Engineering Company Limited (the "Company") wishes to announce that on 15 October 2004, following receipt of approval from the relevant PRC authority, the Company has disposed of its 5% equity stake in Taikoo (Xiamen) Aircraft Engineering Company Limited to Hong Kong Aircraft Engineering Company Limited for a total cash consideration of US\$7.5 million, which was received by the Company on 21 October 2004. The consideration was determined at arm's length and on a willing buyer - willing seller basis, having regard to an independent professional valuers' report, which was commissioned by the Company.

The gain arising from the disposal of the investment amounted to US\$5.5 million, after taking into account the cost of investment of US\$1.7 million and providing for incidental expenses.

The proceeds from the sale of the disposal shall be applied towards the funding of working capital of the Company.