



SALE OF SHARES IN ASIAN COMPRESSOR TECHNOLOGY SERVICES COMPANY LIMITED

SINGAPORE, 27 October 2017- Mainboard-listed SIA Engineering Company Limited (“**SIAEC**”) today announced that it has, together with its joint venture partners Pratt & Whitney (“**P&W**”) and China Airlines Limited (“**CAL**”), entered into an agreement with MB Aerospace Newton Abbot Limited (“**MB Aerospace**”), for the sale of 100% share of Asian Compressor Technology Services Company Limited (“**ACTS**”).

ACTS is a joint venture between SIAEC (24.5%), P&W (51%) and CAL (24.5%) based in Taiwan. It is in the business of repair and overhaul of compressor stators, shrouds and honeycomb seals and segments for PW4000, PW2000, V2500 and CFM56 engines.

SIAEC and P&W have been jointly reviewing our portfolio of joint ventures for consolidation and growth. This is part of SIAEC’s restructuring initiatives to focus on growth areas and build next generation aircraft capabilities.

Pursuant to the agreement with MB Aerospace, SIAEC, P&W and CAL will sell their respective stakes in ACTS to MB Aerospace for an estimated sale consideration of US\$60 million in cash. SIAEC’s share will be US\$14.7 million. Based on ACTS’ audited financial statements for the financial year ended 31 December 2016, the net tangible asset value of SIAEC’s stake in ACTS is US\$8.6 million.

The consideration for the sale was determined on an arm’s length basis, and was validated by an independent valuer appointed by SIAEC, based on income and market valuation methodologies.

The sale of SIAEC’s stake in ACTS is expected to result in a gain of approximately S\$14.3 million for SIAEC for the financial year ending 31 March 2018. The closing of the transaction shall be subject to the satisfaction (or waiver) of the conditions precedent contained in the agreement with MB Aerospace. None of the Directors of SIAEC has any interest, direct or indirect, in the transaction.

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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 (MRO) services in Asia-Pacific. SIAEC has a client base of more than 80 international carriers and aerospace equipment manufacturers. It provides line maintenance services at 37 airports in 8 countries, as well as airframe and component services on some of the most advanced and widely used commercial aircraft in the world. Apart from MRO services, SIAEC also offers a comprehensive and integrated suite of solutions under its fleet management services.

The 26 ventures with original equipment manufacturers and strategic partners in Singapore, Australia, Hong Kong, Indonesia, Japan, Philippines, United States, Taiwan and Vietnam increase the depth and breadth of the Company's service offerings. SIAEC has approvals from 27 national aviation regulatory authorities to provide MRO services for aircraft registered in the U.S., Europe, China and other countries.

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