



## **SIAEC WELCOMES HONG KONG AIRLINES AS NEW SHAREHOLDER IN HONG KONG LINE MAINTENANCE JOINT VENTURE**

**SINGAPORE, 18 January 2018-** Mainboard-listed SIA Engineering Company Limited (“**SIAEC**”) today announced that it has, together with its joint venture partners Malaysia Airlines Berhad (“**MAB**”), PT Garuda Indonesia (Persero) TBK (“**GA**”) and Royal Brunei Airlines Sdn Bhd (“**RBA**”), collectively the “**Existing Shareholders**”, entered into an agreement with Hong Kong Airlines Ltd (“**HKA**”) for HKA to subscribe for new shares in Pan Asia Pacific Aviation Services Limited (“**PAPAS**”).

HKA is a full-service carrier based in Hong Kong and currently operates a fleet of 35 aircraft. HKA is a major customer of PAPAS and its entry as a shareholder will further strengthen PAPAS’ growth.

PAPAS is a Hong Kong-based joint venture between SIAEC (47.06%), MAB (23.53%), GA (17.65%) and RBA (11.76%), which provides a full suite of line maintenance, ramp handling and other ancillary services at Hong Kong International Airport.

Pursuant to the agreement between HKA and the Existing Shareholders, HKA will become a 15% shareholder of PAPAS through a subscription of new shares (“**First Tranche**”). SIAEC’s stake in PAPAS will be 40% upon completion of the First Tranche. Subject to the fulfilment of certain conditions, HKA has the right to further increase its stake in PAPAS to 30% (“**Second Tranche**”).

The consideration payable in cash by HKA for the First Tranche shares is HK\$21.7 million (about S\$3.7 million) and the consideration payable in cash by HKA for the Second Tranche shares will be in the range of HK\$23.5 million to HK\$33.5 million (about S\$4.0 million to S\$5.7 million). The consideration was determined on an arm’s length basis, validated by an independent valuer appointed by PAPAS, which was based on discounted cash flow methodology. Completion of the First Tranche and the Second Tranche is further subject to the satisfaction (or waiver) of the conditions precedent contained in the agreement with HKA.

The transaction is not expected to have a material impact on the net tangible assets per share or earnings per share of SIAEC for the financial year ending 31 March 2018. 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](http://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 26 national aviation regulatory authorities to provide MRO services for aircraft registered in the U.S., Europe, China and other countries.

## **About Malaysia Airlines Berhad**

Malaysia Airlines Berhad is the national flag carrier of Malaysia, and a member of the oneworld airline alliance. Headquartered in Sepang, Malaysia, Malaysia Airlines operates flights from Kuala Lumpur International Airport and from secondary hubs in Kota Kinabalu and Kuching. The airline currently flies about 40,000 passengers a day to about 60 destinations in 22 countries worldwide around Asia, Europe and Australasia.

## **About PT Garuda Indonesia (Persero) TBK**

Garuda Indonesia is the flag carrier of Indonesia and currently serves more than 86 destinations worldwide and various exotic locations in Indonesia. With the number of flights reaching 600 flights per day, Garuda Indonesia provides the best service through the concept of "Garuda Indonesia Experience" which prioritises hospitality and cultural richness of Indonesia.

In line with the success of the ongoing transformation program, Garuda Indonesia received a number of international recognitions and awards including achievements as "Five Star / 5-Star Airline", "The World's Best Cabin Crew" for four consecutive years, 2014, 2015, 2016 and 2017, as well as "World's Best Economy Class" for 2013 from London-based independent flight rating agency SkyTrax. In addition, Garuda Indonesia was also crowned "The Most Loved Airline" in 2016 by SkyTrax.

## **About Royal Brunei Airlines Sdn Bhd**

Royal Brunei currently operates a fleet of ten aircraft comprising, four B787-8 Dreamliners together with six A320 units. Royal Brunei will have eight new aircraft joining the fleet in 2018, making its fleet one of the youngest in Asia Pacific and allow Royal Brunei to further develop its network to Seoul, Beijing and other Asian Cities.

In 2013, Royal Brunei was the launch airline in Southeast Asia for the B787 Dreamliner and Royal Brunei now has the distinction of operating the youngest long haul fleet in the world. Royal Brunei is also the first airline in the world to offer an exclusive Dreamliner service all the way from Melbourne to London via Brunei and Dubai, and return. From its hub at Brunei International Airport, Royal Brunei serves a number of regional and international destinations in Australia, South East Asia, China, Middle East and UK.

In 2014, Royal Brunei received a distinction in the 2014 REBRAND 100® Global Awards which honour the most successful brand transformations worldwide. On November 9 2015, Royal Brunei was declared winner of the Travel Media Innovative Campaign and Content of the Year Award at the inaugural and very prestigious International Travel Media Awards in United Kingdom. Royal Brunei was announced as the Top 10 Most Loved Airlines in 2016 and Top 100 Airlines 2016 and 2017 by Skytrax. Royal Brunei also won a Bronze Award from British Travel Awards 2017 for Best Eastbound Long Haul Airline.

### **About Hong Kong Airlines Ltd**

Established in 2006, Hong Kong Airlines is a full-service airline with its principal place of business in Hong Kong. Ever since then Hong Kong Airlines has grown to become an internationally-acclaimed carrier. Recognizing the warmth of its service and the quality of its onboard offering, Hong Kong Airlines has been awarded the highly-esteemed 4-star rating from Skytrax since 2011.

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