



DIVESTMENT OF 51% SHAREHOLDING IN AVIATION PARTNERSHIP (PHILIPPINES) CORPORATION

SINGAPORE, 26 October 2020 – **SIA Engineering Company Limited** (“**SIAEC**”) wishes to announce that it has on 26 October 2020 entered into an agreement with **Cebu Air, Inc.** (“**CEB**”), to divest SIAEC’s entire 51% shareholding in **Aviation Partnership (Philippines) Corporation** (“**APPC**”) to CEB (the “**Transaction**”).

APPC is currently 51% owned by SIAEC and 49% by CEB. It is based in Manila, Philippines and provides line maintenance services at Manila, Cebu, Davao and Clark, as well as other secondary airports in the Philippines.

The consideration for the sale of SIAEC’s 51% stake in APPC to CEB is US\$5.61M in cash. This was arrived at after arm’s length negotiations on a willing-buyer, willing-seller basis and took into account, *inter alia*, the net asset value and financial performance of APPC. Based on APPC’s audited financial statements for the financial year ended 31 March 2020, 51% of the net asset value of APPC was US\$4.76M¹.

Completion of the Transaction is subject to the satisfaction (or waiver) of conditions precedent set out in the agreement with CEB. Following the Transaction, SIAEC will cease to have any equity interest in APPC.

The divestment of APPC is in line with SIAEC’s overall strategy to streamline and rationalise its line maintenance international operations; and to optimize resources for areas of high growth potential and competitive advantage to ensure the long-term sustainability of its portfolio.

The relative figures computed pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited are less than 5%. The divestment is expected to result in a gain of approximately S\$1.8 million for SIAEC for the financial year ending 31 March 2021.

The change in SIAEC’s ownership of APPC is not expected to have a material impact on the net tangible assets or earnings per share of the SIAEC Group in FY2020/21.

None of the Directors of SIAEC has any interest, direct or indirect, in the transaction, other than through their shareholdings (if any) in SIAEC.

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¹ At the exchange rate of US\$1 = PHP50.694.

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 34 airports in 7 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 25 subsidiaries and joint ventures with original equipment manufacturers and strategic partners in Singapore, Hong Kong, Indonesia, Japan, Philippines, United States 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 United States, Europe, China and other countries.

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