SIA ENGINEERING COMPANY SETS UP NEW BUSINESS UNIT TO TAP GROWTH IN THE ENGINE SERVICES MARKET

- Forms new Engine Services Division focused on growth in aircraft engine services business
- Enhances integration in the engine MRO value chain and strengthens SIAEC's engine services eco-system
- Invests in a new facility to cater for growing demand in engine maintenance services, with initial setup for CFM LEAP-1A and -1B engine (LEAP) quick turns and light maintenance visits

SINGAPORE, 24 FEBRUARY 2021 – SIA Engineering Company Limited ("SIAEC" or the "Company") today announced the setting up of an Engine Services Division ("ESD"), a new business unit within the Company, to grow its engine services business. ESD will focus on increasing value to its OEM partners and airline customers, enhancing its integration in the engine MRO value chain and strengthening SIAEC's engine services eco-system.

All engine-related services performed by the Company will be consolidated and developed under ESD, which will be the lead business channel to complement SIAEC's network of engine Joint Ventures ("JVs") in Singapore. This new division will develop and provide a comprehensive portfolio of engine-related value-added services, including engine maintenance, parts repair, storage and preservation, material management, on-wing services and engine testing.

Leveraging long-established JV partnerships with engine OEMs and SIAEC's established MRO capabilities in supporting airline customers' fleet of aircraft and engines, ESD is well-positioned to accelerate its participation in the engine MRO value chain, creating value through integration of its service offerings.

As part of this initiative, ESD will invest in a facility to accommodate growing demand in engine quick turn maintenance, where engine shop visits are driven by specific work to minimise engine time off-wing, thereby optimising both engine availability and reliability on-wing. The initial setup of the facility will support maintenance work on the CFM LEAP engines, in line with the maintenance services agreement with Safran Aircraft Engines announced in December 2019.

The facility will require a gradual manpower ramp-up to more than 100 staff when it commences operations by January 2022, with options for future new capability and capacity expansion.

The development of this new facility is also part of SIAEC's Transformation Phase 2 programme announced in January 2021, where it will adopt SIAEC's LEAN methodology for operations processes and digital tools such as digital job cards and digital production board.

Mr Ng Chin Hwee, SIAEC Chief Executive Officer, said, "Notwithstanding the current disruption to the airline industry, a recovery in global air travel will create greater demand for quick turn maintenance and shorter engine turnaround, particularly those on narrow-body aircraft. The consolidation of our engine-related services under one roof and the investment in a new engine facility will allow us to grow our suite of engine-related capabilities and enhance our ability to service our OEM partners and airline customers. These developments will position us to be first off the blocks in a business upturn and enhance our standing as one of the world's leading MRO providers."

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About SIA Engineering Company
(Company Registration No. 198201025C)
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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 29 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 23 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 27 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States, Europe, China and other countries.

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