



SIA Engineering Company to Form Line Maintenance Joint Venture in Republic of Korea

SINGAPORE, 15 FEBRUARY 2020 – Mainboard-listed SIA Engineering Company Limited (“**SIAEC**”) today announced that it has entered into a joint venture agreement with Air Innovation Korea Co., Ltd (“**AIK**”), to form a line maintenance joint venture based in the Republic of Korea (the “**Joint Venture**”).

Under the agreement, SIAEC will hold an equity stake of 51% in the Joint Venture, with AIK taking the remaining 49% stake. The agreement and services to be provided are subject to the receipt of regulatory approvals.

The Joint Venture company will have an initial registration capital of KRW 4,772,000,000, or approximately S\$5,525,212. SIAEC will subscribe for KRW 2,433,720,000, or approximately S\$2,817,858, in cash and AIK will subscribe for KRW 2,338,280,000, or approximately S\$2,707,354, in cash.

This partnership supplements the Aero-K Airlines’ (“**Aero-K**”) A320 CEO / NEO fleet Inventory Technical Management Programme where SIAEC will support the airline for component pooling as well as repair and overhaul management services commencing in March 2020. The services will be provided for a period of six years for each fleet type. Aero-K, a wholly owned subsidiary of AIK, plans to commence operations in March 2020 from their base in Cheongju International Airport in the Republic of Korea. Aero-K is expected to operate 4 A320 aircraft by end 2020, growing to 15-20 aircraft within 5 years.

The Joint Venture and the Inventory Technical Management Programme are not expected to have a material impact on the earnings per share or the net tangible assets per share of SIAEC for the financial year ending 31 March 2020. 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 36 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 subsidiaries and joint ventures with original equipment manufacturers and strategic partners in Singapore, Hong Kong, Indonesia, Japan, Philippines, United States, Vietnam and Thailand increase the depth and breadth of the Company's service offerings. SIAEC has approvals from 25 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States, Europe, China and other countries.

About Air Innovation Korea

Air Innovation Korea is an aviation industry company and sole proprietor of Aero K Airlines (Aero K). Other than the airline business and line maintenance joint venture with SIAEC, AIK has also established a ground handling joint venture with Swissport International and is focused on developing aviation related businesses to serve the Cheongju area and other regions of Korea.

About Aero K Airlines

Aero K is a commercial airline company following a global best-practice LCC model headquartered at Cheongju International Airport serving Central Korea and primarily focused on international travel. Aero K is expected to receive its air operator's certificate and launch commercial service in March/April of 2020.

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