

SIA Engineering Company to invest in Pos Aviation Engineering in Malaysia

SINGAPORE, 13 FEBRUARY 2020 – SIA Engineering Company Limited (“SIAEC”) wishes to announce that it has entered into an agreement with Pos Aviation Sdn Bhd (“Pos Aviation”), a wholly owned subsidiary of Pos Malaysia Berhad (“Pos Malaysia”), to acquire a 49% stake in Pos Aviation Engineering Services Sdn Bhd (“PAES”).

Under the agreement, Pos Aviation will retain the remaining 51% stake. The indicative consideration for the acquisition of Pos Aviation’s 49% stake is MYR10.087 million in cash. This was arrived at after arm’s length negotiations on a willing-buyer, willing-seller basis, and after considering, inter alia, the net asset value and financial performance of PAES. Based on PAES’s adjusted net assets as at 31 July 2019, the indicative net asset value of the PAES shares acquired by SIAEC is MYR10.087 million.

PAES has operations in Kuala Lumpur International Airport and 9 other stations in Malaysia. These stations will complement SIAEC’s existing network of Line Maintenance International stations, which will grow to 46 airports in 9 countries including Singapore.

Mr Png Kim Chiang, Chief Executive Officer of SIAEC, said: “We are delighted to establish this partnership with Pos Aviation. With the combined strength of both parties’ capabilities and experience, we are confident that this strategic partnership will deliver a high level of despatch reliability and quality engineering services to international airline customers in Malaysia.”

Syed Md Najib Syed Md Noor, Group Chief Executive Officer of Pos Malaysia Berhad, said: “This strategic partnership marks the entry of a Malaysian brand into the global MRO market, an important milestone for Pos Malaysia. We foresee an increase in our customer base and expansion of our market segments through enhanced product offerings, and this will contribute to the future growth of our revenue stream. SIAEC’s expertise in maintenance and fleet management, along with our experience in serving various commercial airlines in Malaysia allows the strategic partnership to offer a complete MRO solution to customers across the region.”

“We are undoubtedly excited about the future prospects and very confident that this strategic partnership shall exceed all expectations,” Syed Md Najib added.

The investment in PAES is 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.

About SIA Engineering Company Limited

(Company Registration No. 198201025C)

www.siaec.com.sg

SIA Engineering Company Limited ("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 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 Pos Aviation Sdn Bhd

(Company Registration No. (333284-T)

Pos Aviation Sdn Bhd ("Pos Aviation") is a licensed independent ground handler in Malaysia that provides comprehensive services to commercial and private airlines operating into and through Malaysian airports. This includes 5 main business segments comprising ground handling, cargo handling, inflight catering, aircraft maintenance and engineering as well as regional eCommerce distribution hub.

Pos Aviation is a wholly-owned subsidiary of Pos Malaysia Berhad ("Pos Malaysia"). Pos Aviation (formerly known as KL Airport Services) was acquired by Pos Malaysia Berhad in September 2016. The company has presence in 9 international airports in Malaysia, offering maintenance, repair and overhaul and engineering services through its wholly-owned subsidiary, Pos Aviation Engineering Services Sdn Bhd.

For more information, log on to www.posaviation.com.my.

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