Exit From PW1500G Engine Risk-Revenue Sharing Programme

SINGAPORE, 28 MARCH 2024 - SIA Engineering Company Limited ("SIAEC") wishes to announce that it has entered into an agreement with Pratt and Whitney ("PW") to exit from the PW1500G engine Risk-Revenue Sharing Programme ("RRSP") that was held through its wholly-owned subsidiary, NexGen Network (2) Holding Pte. Ltd. ("NGN2"). This programme was previously known as the CSeries aircraft engine programme.

NGN2 invested in the RRSP in 2010 and had a 1% share of the programme prior to the exit. Participants of the RRSP are required to share the costs, risks and revenues of the PW1500G geared-turbofan engine, from its design and development to its production (including engine spare parts), post-certification engineering support, marketing and sales, as well as the provision of aftermarket services including maintenance, repair and overhaul ("MRO") services.

The investment came with derived benefits for Eagle Services Asia Private Limited ("ESA"), a joint venture between PW (51%) and SIAEC (49%) in Singapore, which included new engine capability and MRO work for ESA, and relevant investment support grants related to the development of new engine capability.

As the RRSP requires further capital injection, after careful deliberation and with PW's agreement, a decision was taken to exit from the RRSP. This will allow the SIAEC Group to deploy capital, which would otherwise have been used to support the funding of the RRSP, to other areas that are better aligned with its growth strategy.

Upon exiting the RRSP, the Group will write off S$25.1 million of net assets associated with this programme.

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

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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 more than 35 airports in 8 countries, as well as airframe, engine and component services on some of the most advanced and widely used commercial aircraft in the world.

The 23 subsidiaries and joint ventures with original equipment manufacturers and strategic partners in Singapore, Hong Kong, Indonesia, Japan, Malaysia, Philippines, the United States of America and Vietnam increase the depth and breadth of the Company's service offerings. SIAEC has approvals from 29 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States of America, Europe, China and other countries.

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