



**ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL OF
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

SINGAPORE, 3 November 2020 - Pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited, SIA Engineering Company Limited ("SIAEC") wishes to announce the following that occurred during the half year ended 30 September 2020:

1) Acquisition of Shares in an Existing Subsidiary Company

SIAEC had acquired the remaining 35% issued and paid-up share capital of Heavy Maintenance Singapore Services Pte Ltd ("HMSS"), representing 9,625,000 ordinary shares in the capital of HMSS (the "Sale Shares") from Airbus Services Asia Pacific Pte Ltd ("ASAP"), a Singapore incorporated wholly owned subsidiary of Airbus SAS ("Airbus") (collectively, the "Transaction").

The acquisition was arrived at following a joint review of the business in view of the COVID-19 pandemic. Completion of the Transaction has taken place on 27 August 2020, and HMSS is now a wholly-owned subsidiary of SIAEC. Following completion of the Transaction, the Joint Venture Agreement dated 17 February 2016 among SIAEC, Airbus and ASAP in relation to HMSS, as amended and/or supplemented from time to time (the "JVA") has been terminated.

The consideration paid by SIAEC to ASAP for the transfer of the Sale Shares pursuant to the Transaction is S\$1.00 in cash, and was arrived at following arm's length negotiations, taking into consideration HMSS' financial position. In connection with the Transaction, SIAEC has also received S\$7,387,777.00 in cash pursuant to the termination of the JVA. The Transaction has been accounted for as an equity transaction and the payment by ASAP to SIAEC upon termination of the JVA will be recognised directly in equity.

Based on the audited financial statements of HMSS for the financial year ended 31 March 2020:

- (i) the book value attributable to the Sale Shares is approximately S\$900,000.00; and
- (ii) the net tangible assets value attributable to the Sale Shares is approximately S\$100,000.00.

2) Proposed Liquidation of an Associated Company

On 28 June 2020, we announced that we would evaluate the sustainability of our Thai line maintenance joint venture with NokScoot Airlines Co., Ltd ("NokScoot"), Line Maintenance Partnership (Thailand) Company Limited ("LMPT"), pending the outcome of the proposal for the dissolution of NokScoot. NokScoot's shareholders have since approved the proposed resolution of NokScoot on 14 July 2020.

Following this, LMPT's shareholders have also approved the proposed resolution to dissolve LMPT.

The above transactions are not expected to have a material impact on the net tangible assets per share or the earnings per share of the SIAEC Group in FY2020/2021.

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