

**SIA ENGINEERING COMPANY LIMITED ("SIAEC" OR THE "COMPANY")
MINUTES OF THE 41ST ANNUAL GENERAL MEETING HELD AT
THE GARDEN BALLROOM, LEVEL 1, PARKROYAL COLLECTION MARINA BAY
SINGAPORE, 6 RAFFLES BOULEVARD, SINGAPORE 039594
ON THURSDAY, 20 JULY 2023 AT 1000 HOURS**

Present:

Members and Proxies

As set out in the attendance records maintained by the Company.

Board of Directors

Mr Tang Kin Fei	: Chairman, Non-Executive Independent Director (" NEID ")
Ms Chua Bin Hwee	: Director, NEID
Mr Lim Kong Puay	: Director, NEID
Dr Raj Thampuran	: Director, NEID
Mr Goh Choon Phong	: Director, Non-Executive Director (" NED ")
Mr Mak Swee Wah	: Director, NED
Mr Wee Siew Kim	: Director, NEID
Ms Chong Chuan Neo	: Director, NEID
Ms Tan Tze Gay	: Director, NEID
Mr Ng Chin Hwee	: Director and Chief Executive Officer (" CEO ")
Mr Chin Yau Seng	: Director and CEO-Designate

Attending

Ms Ng Lay Pheng	: Chief Financial Officer
Ms Lu Ling Ling	: Company Secretary
Ms Ong Li Qin	: KPMG LLP, Auditors
Mr Lee Wei Hsiung	: Tricor Singapore Pte. Ltd., Scrutineer
SIAEC Senior Management	
Allen & Gledhill LLP	

1 WELCOME ADDRESS

- 1.1 A quorum being present, Chairman Mr Tang Kin Fei called the Company's 41st Annual General Meeting ("**AGM**") to order at 1000 hours. He informed that he had been appointed as proxy for various Resolutions.
- 1.2 Chairman introduced the Board of Directors, the Company Secretary, the Auditors and Scrutineers.
- 1.3 Tricor Singapore Pte. Ltd., Scrutineers for the AGM, briefed shareholders on the electronic voting procedures.

2 NOTICE OF MEETING

- 2.1 The Notice of the AGM ("**AGM Notice**") was taken as read.

3 PRESENTATION BY CEO

- 3.1 CEO Mr Ng Chin Hwee started with a summary of the performance for the financial year ended 31 March 2023 ("**FY2022/23**") and reported that there was a year-on-year improvement from a loss of \$47 million to a profit of \$55 million. Revenue growth was achieved across all business segments. Flight volume recovered to 79% of pre-pandemic levels by end-March 2023, and recovery has continued in the first quarter of this financial year, at 87% in June 2023.
- 3.2 While flight recovery is expected to continue, Mr Ng cautioned that there are challenges ahead. The rate of recovery is expected to slow down due to manpower shortages, aircraft delivery delays and supply chain disruptions. Macroeconomic and geopolitical risks remain prevalent; and rising costs and wage pressures continue to pose challenges.
- 3.3 To mitigate against these challenges, the Company will continue to remain vigilant to control costs and seize opportunities for business growth while it steps up from Transformation to Continuous Improvement to improve productivity and reduce waste. SIAEC will also continue to seek investment opportunities to grow revenue and broaden technical capabilities. To maintain the right level of manning in anticipation of revival of flight activities, the Job Support Scheme ("**JSS**") had allowed SIAEC to retain our core workforce, enabling us to seize growth opportunities when flight volume at Changi recovered.
- 3.4 Mr Ng elaborated on the Company's strategies to emerge stronger post-pandemic, as follows: (i) SIAEC restructured its joint venture ("**JV**") portfolio by exiting from JVs that were not value-adding or not aligned with its strategy; and entering into new JVs and acquiring full or majority control in existing JVs that are central to its strategy; (ii) the Company increased its investment in Transformation and launched phase 2 which resulted in increased productivity and strengthened capabilities; and (iii) new Engine

Services and Component Services Divisions were formed to provide sharper focus. A new Commercial Division was also formed to strengthen sales and marketing efforts. In addition, the Company has expanded its Line Maintenance International network and is expanding its Base Maintenance footprint overseas.

- 3.5 Finally, Mr Ng provided a brief report on sustainability efforts in FY2022/23. The Company aims to half Scope 1 and 2 carbon emissions by 2030 and achieve net zero carbon emission by 2050. SIAEC intends to expand its use of renewable energy beyond the current 18% obtained from solar energy and is scaling up its adoption of electric vehicles. Our buildings have achieved water efficient building certification by the end of FY2022/23. As a result of the sustainability efforts, the Company has shown an improvement in the recent scores by two sustainability rating agencies.
- 3.6 Mr Ng concluded with a note of thanks to the union leaders for journeying with the Company through the pandemic, as well as to the shareholders for their patience and faith in the SIAEC Group.

4 ORDINARY BUSINESS

4.1 RESOLUTION 1: TO RECEIVE AND ADOPT THE DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 AND THE AUDITORS' REPORT THEREON

- 4.1.1 The motion for Ordinary Resolution 1 as set out in the first item on the agenda in the AGM Notice was proposed by Chairman.
- 4.1.2 Chairman invited questions from shareholders.

Performance and Strategy

- 4.1.3 A shareholder commented that the Company has not performed as well as Singapore Airlines ("**SIA**") whose earnings have rebounded strongly after the pandemic and noted that SIAEC faced staff shortage and reduced profit margins as compared to five years ago. He asked how SIAEC's business will adapt to changing trends (such as newer aircraft requiring less servicing) to remain competitive and increase its profit margins.
- 4.1.4 The same shareholder also asked whether SIAEC's growth would primarily be from its core MRO services business or through the JV portfolio, and which geographies are expected to see increased MRO business.
- 4.1.5 Chairman responded that rising costs and inflation have affected the Company's profits, however through various efforts including Lean and Transformation, the Company has increased productivity and reduced costs. SIAEC has: (i) added new capabilities and technologies for newer aircraft; (ii) established Engine Services and Component Services Divisions to derive higher profit margins and provide customers with a complete coverage across the value chain; and (iii) set up a dedicated

Commercial Division which has succeeded in attracting new customers, including non-airline customers. Chairman caveated that there is no guarantee of profitability as unforeseen global events such as the Covid-19 pandemic may still impact the Company's revenue and costs.

- 4.1.6 Mr Ng added that the Company managed to maintain its core workforce during the pandemic, enabling it to keep pace with the recovery of the aviation industry and to continue to provide services without disruption. This contributed to Changi airport maintaining its status as an international aviation hub. SIAEC has conducted recruitment drives to ensure sufficient staff for operations and undertaken Transformation and Continuous Improvement initiatives.
- 4.1.7 A shareholder queried on the reason for the Company's operating loss and actions taken to improve the Company's core business operations. Elaborating on the profit margin, Mr Ng explained that although flight levels recovered to about 79% of pre-Covid activity by March 2023, the average flight activity for FY2022/23 was only around 65% of pre-Covid levels. Revenue is projected to be higher in the current financial year, but the growth rate is not expected to be as robust as the high growth rate in the previous financial year was from a low base. Transformation efforts have increased productivity and mitigated against rising costs. Through Transformation, additional capacity has been freed up in our Base Maintenance unit, allowing SIAEC to acquire new business from third-party customers.
- 4.1.8 Mr Ng further elaborated that the recently established Engine Services and Component Services Divisions are long-term initiatives that may not yield immediate results but are necessary to raise capabilities and offer broader suite of services to customers. The recently acquired component services business in Malaysia is seeing increased work volume. Additionally, SIAEC will also continue to seek further investment opportunities.
- 4.1.9 CFO Ms Ng Lay Pheng stated that there was an operating loss in FY2022/23. However, if the effects of the JSS and tax write-back are excluded, there was a significant profit improvement. Chairman said that that flight activity achieved a 79% recovery in the month of March 2023 but average flight activity for FY2022/23 was much lower than that, thus the Company understandably did not make an operating profit. Nonetheless, the aviation industry as a whole is recovering rapidly, and the Company is positioned to capture the increase in business opportunities. Despite the operating loss, ex-gratia payments have been awarded to the Company's employees as a gesture of appreciation for the past three difficult years and to maintain a cohesive workforce as the staff had suffered pay cuts for a protracted period in order to preserve jobs.
- 4.1.10 Addressing a shareholder's query on strategies taken to return the core business to profitability in pace with the JVs, Mr Ng said that work volume is a critical factor for performance. The Company is not yet profitable at an average flight activity of 65% of pre-Covid flight levels, however performance is improving every quarter with increasing hangar usage rates. SIAEC is off to a stronger start this financial year with higher work volume.

Transformation

- 4.1.11 Responding to a shareholder's request for further details about the Company's Transformation progress, Chairman informed that SIAEC completed Phases 1 and 2 of its Transformation and is on a new Continuous Improvement programme. While Transformation Phase 2 has completed, many initiatives developed continue to be implemented and reviewed, for example, digitalisation across all lines in Base Maintenance and Line Maintenance Divisions.
- 4.1.12 Mr Ng reiterated that Transformation initiatives are necessary to drive productivity. Some initiatives have concluded but others such as digitalisation require more time as data infrastructure needs to be developed. Time is also required for troubleshooting and implementation. The Transformation has yielded and will continue to yield benefits. The Company has reduced turnaround times for aircraft checks by 15% to 20% and increased task accomplishment rates thereby enabling it to service more aircraft. Consequentially, third party revenue has improved year-on-year, with more than 50% of base maintenance revenue forthcoming from third party customers which is a healthy trend.

JV Portfolio

- 4.1.13 In response to a query on whether the Company intends to increase its shareholding in Eagle Services Asia and Singapore Aero Engines Services, Mr Ng explained that this depends on the respective JV partners' willingness to sell. Ultimately, regardless of shareholding, the key is the ability to work with JV partners to expand our capabilities.
- 4.1.14 There was another query on the reason for the Company's exit from several JVs. Mr Ng informed that the initial intention for the JV with Airbus was to increase base maintenance checks for Airbus' A380 fleet. However, due to the Covid-19 pandemic, many customers have reduced their A380 fleets. Given the smaller market size, both parties mutually agreed to exit as it was no longer viable to separately maintain an entity specific to work on that fleet. Similarly, the Boeing JV was aimed at growing market share for Boeing aircraft. The pandemic has affected growth and delayed aircraft deliveries. Notwithstanding the Company's departure from these JVs, the substantial base maintenance service agreements with SIA have remained in place - the Group has retained the business although we have exited these JVs.
- 4.1.15 With respect to a shareholder's query about SIAEC's competitors including ST Engineering which also has an aerospace MRO business, Chairman remarked that ST has a different business model and that the Company continuously monitors and benchmarks against appropriate international MRO companies to assess performance.

Returns and Dividends

- 4.1.16 A shareholder asked whether SIAEC's relatively low return on equity ("ROE") of 4.1% is due to it being asset-heavy, and if there are plans to increase the ROE. Ms Ng clarified that under the new accounting standards, a sale and leaseback of the hangars would still result in the hangars being accounted on SIAEC's balance sheet. Chairman added that Management continues to monitor the ROE and look for improvement. Mr Ng said returns have been low in the past two years due to the pandemic, but the business is recovering. With its sufficient cash reserves, the Company is also positioned to make new investments.
- 4.1.17 Responding to a shareholder's query on whether dividends can be higher with the Company's surplus cash reserves, Chairman said that cashflow is necessary for the operating cost of the Company and as a reserve against unforeseeable events such as the recent pandemic. Mr Ng added that the dividend for FY2022/23 comprised almost all of the Company's profit and assured shareholders that the Company will continue to aim to pay dividends where possible.

Operations

- 4.1.18 A Shareholder referred to the rising manpower costs and asked if hiring of foreign talent including Malaysians would address this. Chairman responded that the Company has expanded capabilities in the Philippines, and is exploring setting up a base in Subang, Malaysia. Mr Ng added that while SIAEC has recruited staff from the region to address the critical manpower shortage in Singapore, it is still important to keep a core Singapore workforce. To that end, SIAEC recently signed memoranda of understanding with 11 Institutes of Higher Learning in Singapore to entice the younger generation to take up aerospace jobs.
- 4.1.19 There being no further questions, Chairman put the motion to the vote.
- 4.1.20 The results on the vote by way of poll were as follows:

Ordinary Resolution 1	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	908,468,772	99.99	126,588	0.01

- 4.1.21 Based on the results of the poll, Chairman declared Ordinary Resolution 1 carried.

4.2 RESOLUTION 2: TO DECLARE A FINAL ORDINARY DIVIDEND OF 5.5 CENTS PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

- 4.2.1 The motion for Ordinary Resolution 2 as set out in the next item on the agenda in the AGM Notice was proposed by Chairman.

4.2.2 Chairman invited questions from shareholders. There being no questions, Chairman put the motion to the vote.

4.2.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 2	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	908,344,649	99.97	249,308	0.03

4.2.4 Based on the results of the poll, Chairman declared Ordinary Resolution 2 carried.

4.3 RESOLUTION 3: TO RE-ELECT DIRECTORS WHO ARE RETIRING BY ROTATION PURSUANT TO ARTICLE 90 OF THE CONSTITUTION OF THE COMPANY (THE "CONSTITUTION")

4.3.1 Chairman informed that Mr Wee Siew Kim, Mr Mak Swee Wah and himself are retiring by rotation pursuant to Article 90 of the Constitution and, being eligible, have offered themselves for re-election pursuant to Article 91 of the Constitution. All three Directors are considered independent Directors.

Re-election of Mr Tang Kin Fei under Resolution 3.1

4.3.2 Chairman handed the Chair over to Mr Ng as the proceedings for Resolution 3.1 relate to his own re-election. Mr Ng informed that upon re-election, Mr Tang will continue to serve as Chairmen of the Board, the Nominating Committee, the Compensation & HR Committee and the Executive Committee.

4.3.3 The motion for Ordinary Resolution 3.1 as set out in the next item on the agenda in the AGM Notice was proposed by Mr Ng.

4.3.4 There being no questions, Mr Ng put the motion to the vote.

4.3.5 The results on the vote by way of poll were as follows:

Ordinary Resolution 3.1	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	906,826,798	99.87	1,162,689	0.13

4.3.6 Based on the results of the poll, Mr Ng declared Ordinary Resolution 3.1 carried. Mr Ng handed the Chair back to Mr Tang.

Re-election of Mr Wee Siew Kim under Resolution 3.2

4.3.7 Chairman informed that upon re-election, Mr Wee will continue to serve as a member of the Board Safety & Risk Committee and the Compensation & HR Committee.

4.3.8 The motion for Ordinary Resolution 3.2 as set out in the next item on the agenda in the AGM Notice was proposed by Chairman.

4.3.9 There being no questions, Chairman put the motion to the vote.

4.3.10 The results on the vote by way of poll were as follows:

Ordinary Resolution 3.2	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	904,588,715	99.77	2,080,685	0.23

4.3.11 Based on the results of the poll, Chairman declared Ordinary Resolution 3.2 carried.

Re-election of Mr Mak Swee Wah under Resolution 3.3

4.3.12 Chairman informed that upon re-election, Mr Mak will continue to serve as a member of the Board Safety and Risk Committee and the Nominating Committee.

4.3.13 The motion for Ordinary Resolution 3.3 as set out in the next item on the agenda in the AGM Notice was proposed by Chairman.

4.3.14 There being no questions, Chairman put the motion to the vote.

4.3.15 The results on the vote by way of poll were as follows:

Ordinary Resolution 3.3	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	905,690,627	99.90	943,673	0.10

4.3.16 Based on the results of the poll, Chairman declared Ordinary Resolution 3.3 carried.

4.4 RESOLUTION 4: TO RE-ELECT DIRECTORS WHO ARE RETIRING PURSUANT TO ARTICLE 96 OF THE CONSTITUTION

4.4.1 Chairman informed that Ms Chong Chuan Neo and Ms Tan Tze Gay, who were appointed to the Board on 1 October 2022 and 28 October 2022 respectively, are retiring pursuant to Article 96 of the Constitution and being eligible, have offered

themselves for re-election as Directors. Ms Chong and Ms Tan are considered independent Directors.

Re-election of Ms Chong Chuan Neo under Resolution 4.1

4.4.2 Chairman informed that upon re-election, Ms Chong will continue to serve as a member of the Audit Committee, the Nominating Committee and the Technology Advisory Committee.

4.4.3 The motion for Ordinary Resolution 4.1 as set out in the next item on the agenda in the AGM Notice was proposed by Chairman.

4.4.4 There being no questions, Chairman put the motion to the vote.

4.4.5 The results on the vote by way of poll were as follows:

Ordinary Resolution 4.1	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	906,310,946	99.96	341,454	0.04

4.4.6 Based on the results of the poll, Chairman declared Ordinary Resolution 4.1 carried.

Re-election of Ms Tan Tze Gay under Resolution 4.2

4.4.7 Chairman informed that upon re-election, Ms Tan will continue to serve as a member of the Audit Committee and the Board Sustainability Committee.

4.4.8 The motion for Ordinary Resolution 4.2 as set out in the next item on the agenda in the AGM Notice was proposed by Chairman.

4.4.9 There being no questions, Chairman put the motion to the vote.

4.4.10 The results on the vote by way of poll were as follows:

Ordinary Resolution 4.2	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	906,250,946	99.97	306,454	0.03

4.4.11 Based on the results of the poll, Chairman declared Ordinary Resolution 4.2 carried.

4.5 RESOLUTION 5: TO APPROVE THE PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024

- 4.5.1 Chairman informed shareholders that the quantum of fees recommended (up to \$1.5 million) has remained unchanged since the last AGM and the fees are for services rendered by the Non-Executive Directors on the Board and on the various Board Committees in the current financial year. Non-Executive Directors do not receive any other remuneration nor are they granted any share awards or options. Chairman further explained that the fees due to Mr Goh Choon Phong and Mr Mak Swee Wah, who hold executive positions in SIA, and Mr Chin Yau Seng who held an executive position in SIA before June 2023 will be paid to and retained by SIA. As the CEO of the Company, Mr Ng Chin Hwee does not receive any Director's fees. Mr Chin will not receive any Directors' fees following his appointment as CEO-Designate with effect from 1 June 2023.
- 4.5.2 At Chairman's invitation, the motion for Ordinary Resolution 5 as set out in the next item on the agenda in the AGM Notice was proposed by a shareholder.
- 4.5.3 Chairman invited questions from shareholders. There being no questions, Chairman put the motion to the vote.
- 4.5.4 The results on the vote by way of poll were as follows:

Ordinary Resolution 5	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	906,000,262	99.96	378,088	0.04

- 4.5.5 Based on the results of the poll, Chairman declared Ordinary Resolution 5 carried.

4.6 RESOLUTION 6: TO RE-APPOINT KPMG LLP ("KPMG") AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

- 4.6.1 The motion for Ordinary Resolution 6 as set out in the next item in the agenda in the AGM Notice was proposed by Chairman.
- 4.6.2 Chairman invited questions from shareholders. There being no questions, Chairman put the motion to the vote.
- 4.6.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 6	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	906,578,272	99.99	133,388	0.01

4.6.4 Based on the results of the poll, Chairman declared Ordinary Resolution 6 carried.

4.7 ANY OTHER ORDINARY BUSINESS

4.7.1 As no notice of other ordinary business was received, Chairman proceeded to deal with the Special Business of the AGM.

5 SPECIAL BUSINESS

5.1 RESOLUTION 7.1: TO AUTHORISE DIRECTORS TO ISSUE SHARES AND/OR MAKE OR GRANT OFFERS, AGREEMENTS OR OPTIONS THAT MIGHT OR WOULD REQUIRE SHARES TO BE ISSUED PURSUANT TO SECTION 161 OF THE COMPANIES ACT 1967

5.1.1 Ordinary Resolution 7.1 as set out in the AGM Notice was proposed by Chairman.

5.1.2 Chairman invited questions from shareholders. There being no questions, Chairman put the motion to the vote.

5.1.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 7.1	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	905,193,730	99.93	613,624	0.07

5.1.4 Based on the results of the poll, Chairman declared Ordinary Resolution 7.1 carried.

5.2 RESOLUTION 7.2: TO AUTHORISE DIRECTORS TO GRANT AWARDS AND ALLOT AND ISSUE SHARES IN ACCORDANCE WITH THE PROVISIONS OF THE SIAEC PERFORMANCE SHARE PLAN 2014 AND/OR THE SIAEC RESTRICTED SHARE PLAN 2014

5.2.1 Chairman reminded all employees who are eligible for share awards under the two Share Plans to abstain from voting on this motion. Ordinary Resolution 7.2 as set out in the AGM Notice was then proposed by Chairman.

5.2.2 Chairman invited questions from shareholders. There being no further questions, Chairman put Ordinary Resolution 7.2 to the vote.

5.2.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 7.2	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	902,751,222	99.76	2,194,151	0.24

5.2.4 Based on the results of the poll, Chairman declared Ordinary Resolution 7.2 carried.

5.3 RESOLUTION 7.3: TO APPROVE THE MANDATE FOR INTERESTED PERSON TRANSACTIONS ("IPT MANDATE")

5.3.1 Chairman explained the rationale for the IPT Mandate and advised shareholders who are Interested Persons, or who are associates of Interested Persons, to abstain from voting on the Resolution. Ordinary Resolution 7.3 as set out in the AGM Notice was then proposed by Chairman.

5.3.2 Chairman invited questions from shareholders. There being no questions, Chairman put Ordinary Resolution 7.3 to the vote.

5.3.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 7.3	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	34,819,331	99.36	224,200	0.64

5.3.4 Based on the results of the poll, Chairman declared Ordinary Resolution 7.3 carried.

5.4 RESOLUTION 7.4: TO APPROVE THE SHARE BUY-BACK MANDATE

5.4.1 Ordinary Resolution 7.4 as set out in the AGM Notice was proposed by Chairman.

5.4.2 Chairman invited questions from shareholders. There being no questions, Chairman put the motion to the vote.

5.4.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 7.4	For		Against	
	Number of Shares	Percentage %	Number of Shares	Percentage %
	905,431,641	99.99	135,000	0.01

5.4.4 Based on the results of the poll, Chairman declared Ordinary Resolution 7.4 carried.

6 CLOSE OF MEETING

6.1 There being no further business to transact, Chairman closed the 41st AGM at 1155 hours and thanked shareholders, guests, and staff for their attendance.

Confirmed By
Tang Kin Fei
Chairman of the Meeting