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- (I) ACQUISITION OF THE REMAINING 35% ISSUED AND PAID-UP SHARE CAPITAL OF HEAVY MAINTENANCE SINGAPORE SERVICES PTE LTD ("HMSS")**
- (II) TERMINATION OF THE JOINT VENTURE AGREEMENT IN RESPECT OF HMSS**
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SINGAPORE, 27 August 2020 - SIA Engineering Company Limited ("SIAEC") wishes to announce that it has, on 27 August 2020, entered into an agreement to acquire the remaining 35% issued and paid-up share capital of 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").

HMSS was incorporated in Singapore in October 2016 to provide airframe maintenance, cabin upgrade and modification services for the Airbus A380 and A350 aircraft in the Asia-Pacific region and beyond. HMSS has an issued and fully paid-up share capital of US\$27,500,000.00 consisting of 27,500,000 ordinary shares. Prior to the Transaction, HMSS was owned 65% by SIAEC and 35% by ASAP.

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 will be 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.

SIAEC and Airbus will continue to collaborate on projects and review joint opportunities.

The relative figures computed pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited are less than 5%. The Transaction is 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 Transaction, other than through their shareholdings (if any) in SIAEC.

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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 35 airports in 7 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 U.S., Europe, China and other countries.

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