



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
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Issuer: SIA Engineering Company Limited

Stock code: S59

Meeting details:

Date: 23 July 2026

Time: 10.00 a.m.

Venue: Garden Ballroom, Level 1, Parkroyal Collection Marina Bay Singapore, 6 Raffles Boulevard, Singapore 039594

Q1. For the financial year ended 31 March 2026, revenue increased by 14.3% year on year to \$1.42 billion, while net profit rose by 21.0% to \$168.9 million. The stronger performance was driven by higher flight volumes, increased maintenance activities, rate increases, heavier aircraft check content, and higher engine and component deliveries.

FIVE-YEAR FINANCIAL SUMMARY OF THE GROUP

	2025/26	2024/25	2023/24	2022/23	2021/22
Income statement (\$ million)					
Revenue	1,422.9	1,245.1	1,094.2	796.0	566.1
Expenditure	1,393.5	1,230.5	1,091.9	822.3	587.9
Operating profit/(loss)	29.4	14.6	2.3	(26.3)	(21.8)
Other non-operating items	4.6	14.1	(4.0)	14.0	(8.1)
Share of profits of associated and joint venture companies, net of tax	145.3	118.6	101.0	77.8	79.1
Profit before tax	179.3	147.3	99.3	65.5	49.2
Profit attributable to owners of the parent	168.9	139.6	97.1	66.4	67.6

(Source: company annual report)

Despite the topline recovery, core operating profit, while improved to \$29.4 million, remains significantly below pre-COVID levels.

OPERATING PROFIT/(LOSS)

The Group's operating profit/(loss) by segment is as follows:

	2025/26 \$ million	2024/25 \$ million
Airframe and line maintenance	39.1	27.2
Engine and component	(9.7)	(12.6)
Total	29.4	14.6

The Group's operating profit by segment is as follows:

	2018/19 \$ million	2017/18 \$ million
Airframe and line maintenance	59.8	81.9
Engine and component	(3.0)	(3.1)
Total	56.8	78.8

(Source: company annual reports)

- (i) Can management help shareholders understand whether this reflects structural changes in the MRO industry, changes in the group's business mix, pricing dynamics, labour costs, or other factors, and what initiatives are underway to restore profitability to historical levels?

- (ii) The group recognised a provision of \$4.0 million for an onerous contract. **Can management provide greater context on the nature of this contract, the factors that led to the provision, and the specific operational or commercial actions being taken to improve profitability?**
- (iii) The group entered the China MRO market by taking a 30% equity stake in Airport Aircraft Maintenance and Engineering (Fujian) and forming a new joint venture. **Can management provide greater clarity on the group's China market entry strategy? What is the long-term strategic roadmap for the world's second-largest aviation market and what capabilities or competitive advantages give management confidence that the group can build a meaningful and profitable presence in China?**
- (iv) **Can management outline the commercial structure of the strategic partnership with Air India for the development of its base maintenance facility in Bangalore, including the group's capital commitment, expected revenue contribution, and target returns? What contractual or governance mechanisms are in place to ensure the partnership meets the group's profitability thresholds?**

Q2. On 16 January 2026, SGX RegCo issued a Regulator's Column on forward guidance, in which the regulator strongly encouraged issuers to provide meaningful forward-looking disclosures.

SGX RegCo noted that forward-looking information consistently ranks highly among the information sought by investors, including institutional investors and research analysts, particularly regarding anticipated earnings and management's strategy for achieving those outcomes. The regulator also clarified that forward guidance does not require auditor sign-off and that issuers are not expected to update guidance immediately for every change in circumstances. Issuers should nevertheless make timely announcements in accordance with existing listing rules relating to material information and price-sensitive developments.

SGX RegCo also highlighted that forward guidance should be viewed as a means for companies to signal confidence, build credibility with investors, and potentially support long-term shareholder value, rather than as a compliance exercise.

The Regulator's Column can be accessed here:

<https://www.sgxgroup.com/media-centre/20260116-regulators-column-forward-guidance-why-it-matters-and-how-get-it>

- (i) **Given SGX RegCo's encouragement of forward guidance and its view that such disclosures can enhance investor confidence and credibility, has the board considered and/or formally evaluated the adoption of a structured forward guidance framework for FY26/27 to provide shareholders with**

greater visibility on the group's outlook, performance, key operating assumptions, and strategic priorities? If not, why not?

Q3. As disclosed in the corporate governance report and resolution 3 of the notice of AGM, Mr Tang Kin Fei will stand for re-election. If re-elected, Mr Tang Kin Fei will be redesignated as a non-independent director and continue to serve as the chairman of the board¹.

The board and the nominating committee (NC) are of the view that it is in the company's interests for Mr Tang Kin Fei to continue serving on the board to provide continuity and strategic guidance, and to allow the company to benefit from his business acumen and valuable insights.

As at 31 March 2026, the NC comprised Mr Tang Kin Fei (chairman), Ms Chong Chuan Neo (independent director) and Mr Tan Kai Ping (non-executive, non-independent director). Mr Lim Sim Seng was subsequently appointed to the NC on 8 April 2026.

- (i) Would the NC elaborate on how it deliberated and arrived at its recommendation to redesignate and re-elect Mr Tang Kin Fei, given that the director is the chairman of the NC?**
- (ii) What governance considerations led the board to conclude that the benefits of retaining a non-independent chairman outweigh the governance advantages commonly associated with an independent chairman?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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¹ Dr Rajendran Thampuran, Mr Wee Siew Kim and Mr Tang Kin Fei were appointed to the board on 1 September 2016, 8 May 2017 and 8 May 2017 respectively. Dr Rajendran Thampuran retired with effect from 30 May 2025 after serving on the board for almost nine years. Similarly, Mr Wee Siew Kim will be retiring from the board on 23 July 2026 after the conclusion of the annual general after serving on the board for more than nine years.