

## **PRESS RELEASE**

*For Immediate Release*

### **SAM Malaysia Holds EGM to Approve Acquisition of Engine Casing Business from its Parent Company**

**Penang, 23 May 2012** - SAM Engineering & Equipment (M) Berhad (“SAM Malaysia”) holds its Extraordinary General Meeting (EGM) today, to obtain approval from its shareholders to acquire the Engine Casing Manufacturing Division of its parent company, Singapore Aerospace Manufacturing (SAM) Pte Ltd.

The acquisition will be made for an initial purchase consideration of RM135.0 million, via the issuance of RM101.25 million nominal value of 5-year 4% Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) to Singapore Aerospace Manufacturing (SAM) Pte Ltd., and the remaining RM33.75 million in cash.

SAM Malaysia is the first Company in the country to manufacture engine fan cases for use in Boeing 737 aircraft. With the acquisition, it will catapult SAM Malaysia to compete internationally in the supply of compressor and combustor cases to key engine makers world-wide. Besides broadening its range of product for aero-engines, it will have the engineering capability in manufacturing complex-geometry products that are made of stainless steel, titanium and nickel-based alloy.

According to the President and CEO of SAM Group, Mr Jeffrey Goh, the acquisition will enhance our Group’s existing precision engineering capabilities by moving further up the value chain in terms of technology, product complexity, technical knowledge and expertise.

“This will position SAM Malaysia as a high-end premier precision engineering company. By leveraging on the core technology of large format precision machining, we now have the engineering expertise to provide manufacturing services to emerging and key industries such as front-end semiconductor, High Brightness LED, Solar, oil & gas, medical and aerospace,” said Mr Jeffrey Goh.

With niche products and superior capability, SAM Malaysia's dependency on the semiconductor and hard disk drive industries, which is cyclical in nature, will be balanced out by other products of other industries. This augurs well for the Company's financial performance as revenue fluctuations will be minimized.

Barring any unforeseen circumstances, the acquisition is expected to be completed by the third quarter of 2012.

SAM Malaysia's revenue is expected to increase to RM750 million once the acquisition is completed. The acquisition will propel SAM Malaysia to the next level of competition where entry barriers are significantly higher and product requirements more stringent and critical.

**About SAM Malaysia:**

Listed on the Main Board of Bursa Malaysia, Penang-based SAM Engineering and Equipment (M) Berhad ("SAM Malaysia") is a subsidiary of Singapore Aerospace Manufacturing Pte Ltd. (SAM).

Leveraging on its core competencies of high end precision machining, sheet metal fabrication, as well as the design, manufacture and assembly of complex equipment, SAM Malaysia provides full integrated services to the global electronics, semiconductor front-end, as well as the aerospace industries.

More information on SAM Malaysia can be found at:

[www.sam-malaysia.com](http://www.sam-malaysia.com)

[www.sam.sg](http://www.sam.sg)

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