



PRESS RELEASE

FOR IMMEDIATE RELEASE

Page 1 of 3

SATS Enters Into A Joint Venture With YCH For Air Cargo Delivery Services

Singapore, 05 October, 2001 - Singapore Airport Terminal Services Limited ("SATS") today signed a joint venture (JV) agreement with YCH Group Pte Ltd ("YCH") to offer air cargo delivery services. SATS will have a 70% stake in the joint venture while YCH will have the remaining 30% stake.

The air cargo delivery services to be undertaken by the JV company will initially be within the Changi Free Trade Zone (CFTZ) area. The JV company will incorporate the Aerogistics™ solution from YCH's affiliate, Y3 Technologies Pte Ltd, to manage and optimise truckload and routing requirements, as well as information and administrative management for improved efficiency in cargo handling and clearance.

The JV company, which will be known as Aerolog Express Pte Ltd, will be a subsidiary of SATS. The JV company will, upon incorporation, have an initial authorised share capital of S\$100,000 comprising 100,000 shares of par value S\$1 ("Shares") and an initial nominal issued-and-paid-up share capital of S\$2 comprising two Shares. The authorised share capital and issued-and-paid-up share capital of the JV company will both be increased after incorporation to S\$1.8 million comprising 1,800,000 shares.

According to Karmjit Singh, Chief Executive of SATS Airport Services Pte Ltd, "This joint venture with the YCH Group will enable SATS to expand its range of services to the air cargo and shipping community. We expect the seamless and timely delivery services to be well-received by the freight forwarding community as it would mean reduced cycle times, reduced waiting times, better information sharing and more reliable services for trucking cargo and cargo transfers through the airfreight terminals. SATS Airport Services will set the highest standards for facilitating the movement of cargo within the Changi Free Trade Zone area."

Commenting on the joint venture between the two industry leaders, Robert Yap, CEO and Managing Director of YCH said: "This testifies to the spirit of enterprise and excellence as the co-operation will facilitate business growth and innovation. We are indeed very pleased to be selected as the strategic partner of Asia Pacific's premier airport terminal services provider, and play a vital role to entrench Changi Airport's position as the best airport in the world. By harnessing our cutting edge solutions and in-depth industry expertise, we are committed to delivering world-class services to all our partners and customers."

About the Singapore Airport Terminal Services (SATS) Group

The Singapore Airport Terminal Services (SATS) Group is the leading provider of integrated ground handling and inflight catering services at Singapore Changi Airport. SATS and its associated companies offer a wide range of ground handling and catering services at 15 airports in the Asia-Pacific region. SATS' services include airfreight handling, baggage handling, inflight catering, passenger services, ramp handling, aviation security and airline linen laundry. SATS is listed on the Singapore Exchange.

More information about SATS is available on <http://www.sats.com.sg>

About the YCH Group

Founded in 1955, the YCH Group today is a global integrated end-to-end supply chain and logistics partner to some of the world's largest companies. They include Dell, Solectron, Motorola, Compaq, Roche, Ciba Specialty Chemicals, Dystar, Solutia, Rohm & Haas, Moet-Hennessy, DFS, UDV, YHS and Danone. The Group, based in Singapore, currently operates in Singapore, Malaysia, Thailand, the Philippines, Hong Kong, China, Australia, Mexico, and Scotland.

More information on YCH is available on <http://www.ych.com>

For more information, please contact:

Singapore Airport Terminal Services Limited

Mah Tze Chiang
Tel: 65-5418086
Fax: 65-5431571
Email: tzechiang_mah@singaporeair.com.sg

YCH Group Pte Ltd

Andrew Seah
Tel: 65-8607748
Fax: 65-8618095
Email: andrew.seah@ych.com