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SIA ENGINEERING SIGNS MOU FOR LINE MAINTENANCE AT INDONESIAN AIRPORT

SIA Engineering signs MOU for line maintenance at Indonesian airports

Joint venture with PT JAS, a leading ground handling service provider to 28 airlines in major Indonesian cities -- Jakarta, Denpasar, Surabaya, Medan.

SINGAPORE, 31 July 2002 – Mainboard-listed SIA Engineering Company Limited and PT Jasa Angkasa Semesta (PT JAS) have signed a Memorandum of Understanding (MOU) for a joint venture to provide aircraft line maintenance and technical ramp handling services at Indonesia's major airports.

PT JAS provides ground-handling and flight operations despatch services to more than 28 international and domestic airlines operating at Indonesia's major airports, such as Jakarta, Denpasar, Surabaya and Medan.

The MOU was signed today in Jakarta by Mr William Tan, Chief Executive Officer of SIA Engineering Company, and Mr Arifin Sarodji, President Director of PT JAS.

Under the MOU, SIA Engineering's stake in the yet-to-be-named joint venture will be 49% while PT JAS will hold the remaining 51%.

SIA Engineering Company and PT Jasa Angkasa Semesta will now work towards the joint venture agreement. The company will make further announcements at the appropriate time.

About SIA Engineering Company

SIA Engineering Company is a major provider of aircraft maintenance, repair and overhaul (MRO) services in Asia-Pacific. The Company has a client base of more than 80 international carriers and aerospace equipment manufacturers. It provides line maintenance services at Singapore Changi Airport for about 220 flights daily, as well as airframe and component overhaul on some of the most advanced and widely used commercial aircraft in the world.

16 joint ventures with original equipment manufacturers and airlines in Singapore, Ireland, China,

Hongkong and Taiwan increase the depth and breadth of the Company's comprehensive service offerings. The combined revenue of these joint ventures is approximately \$1.0 billion for the first half of FY2002/03, with 71% coming from non-Singapore Airlines customers. Taking into account SIA Engineering Company's equity holding in its joint ventures, non-SIA customers contributed approximately 33% of SIA Engineering Group's business.

SIA Engineering Company has approvals from 23 national aviation regulatory authorities to provide MRO services for aircraft registered in the United States of America, major European countries and Japan, among others.

About PT Jasa Angkasa Semesta

JAS Airport Services is a full service airport handling company that takes care of more than 28 customers from around the world. It provides comprehensive ground handling, cargo, line maintenance, security services, flight clearances as well as VIP/charter flights. Since its inception, the Company has continually sharpened and refined its services as well as its unit JAS Engineering. Started as the Aircraft Technical Service Department (ATS) within JAS organisation in 1985, JAS Engineering today is operating under CASR 145 as an Approved Maintenance Organisation in more than 10 airports in Indonesia.

The Company implements the highest standard of quality required by our airline customers as well as their respective regulatory agencies. Our licenses and approval system were designed to be in par with the Joint Airworthiness Requirement (JAR66) and FAR requirements as well as those of Indonesian CASR.

For further information, please contact:

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