



Media Release

SATS Acquires Singapore Food Processing Company

Monday, October 28, 2002 – SATS today announced it has signed a conditional agreement to acquire a controlling stake in Country Foods Pte Ltd, an established supplier of processed foods in Singapore.

Country Foods, a quality supplier of chilled and frozen processed foods in domestic and international markets, will become SATS' seventh subsidiary.

Chief Executive SATS Catering, Mr Joseph Chew, said "Country Foods represents an opportunity for SATS to enter and grow in the non-airline processed foods market".

"The inflight catering market is just a small portion of the global foodservices market. By acquiring Country Foods, SATS broadens its customer base, widens revenue sources and also offers SATS Catering a lower cost production base," Mr Chew said.

SATS will invest an initial S\$4 million in Country Foods in return for a 57.1 per cent controlling stake in the company. It will have the opportunity to increase its shareholding to 66.7% if a further fund raising exercise is required and implemented.

Already a Singapore market leader, Country Foods supplies international fast food and restaurant chains, convenience stores and supermarkets in Singapore.

Beyond Singapore, SATS believes the company has strong export growth potential in regional markets like Japan, Australia, Hong Kong and the Philippines. With SATS' support, Country Foods aims to accelerate exports of its products regionally and push the company to the next level of business growth.

"This investment represents our commitment to significantly grow the non-airline catering related business of the SATS Group," Mr Chew added.

"There are two ways SATS will continue to grow and add value to shareholders. The first is geographical growth through more joint ventures and investments in our core ground handling and inflight catering businesses. The second is through investing in non-airline related businesses that allow us to leverage our expertise, widen our customer base and sources of revenue. Country Foods is an example of this," he said.

SATS will continue to look for opportunities in core and related businesses, both locally and overseas.

About Country Foods Pte Ltd:

Established in 1989 by Mr Frankie Tan CK, Country Foods Pte Ltd is one of Singapore's established suppliers of quality chilled and frozen processed foods.

Country Foods' quality house brands include Chef Chan, Mrs Coles, Homade and Ted Ryan. Key customers include international fast food and restaurant chains, convenience stores and supermarkets in Singapore.

The company operates a 35,000 sq. ft. plant fitted with modern industrial processing equipment at Senoko South Road, Singapore.

For more information on Country Foods, please visit: www.countryfoods.com.sg

For more information on SATS, please visit www.sats.com.sg

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