

## Leveraging On Our Base In Singapore

With more than 90% of our earnings derived from our base operations in Singapore, SATS will continue to grow its investments in Changi Airport through continual improvements to facilities, infrastructure and service standards.

The opening of our sixth airfreight terminal in 2001 has increased our total cargo handling capacity to 2.1 million tonnes a year. Our second express courier centre, which is mainly used for DHL's hub operations, will further boost our capacity for handling courier packages to an annual total of 220,000 tonnes. With the commissioning of our new SATS Inflight Catering Centre 1, our total production capacity for inflight meals is now 75,000 meals a day.

Our long-term growth strategy is to diversify geographically in the Asia-Pacific region and beyond to other global markets.

## Growing Through Strategic Partnerships And Ventures Overseas

There is a worldwide trend in the aviation industry of airlines streamlining their core operations, and divesting stakeholdings in ground handling and inflight catering companies.

There are opportunities to increase shareholder value through strategic partnerships and joint ventures, as well as acquisition of related businesses with global operations. We are targeting international airports with potential for good passenger and airfreight traffic growth.