



## SATS LTD.

(Incorporated in the Republic of Singapore)  
(UEN / Company Registration No. 197201770G)

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### PROPOSED ACQUISITION OF SHARES IN NANJING WEIZHOU AIRLINE FOOD CORP., LTD.

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#### 1. INTRODUCTION

1.1 SATS Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following announcements issued by the Company:

1.1.1 the announcement dated 17 May 2019 in relation to the execution of a share purchase agreement (“**2019 SPA**”) in relation to Nanjing Weizhou Airline Food Corp., Ltd. (“**NWA**”);

1.1.2 the announcement dated 19 July 2019 in relation to the completion of the acquisition of 45% interest in NWA; and

1.1.3 the announcement dated 29 October 2019 in relation to the completion of the step up from 45% to 50% interest in NWA,

(collectively, the “**2019 Transaction**”).

1.2 NWA is a leading aviation food manufacturer in Jiangsu Province, China, supplying frozen meals, snacks and related food products to airline customers across China. It serves its customer base through an innovative catering hub in Nanjing, supported by a network of on/off-airport assembly kitchens strategically located across the country.

1.3 The Company wishes to announce pursuant to Rule 703 of the Listing Manual that on the date of this announcement:

1.3.1 the Company’s wholly-owned subsidiary, SATS Investments Pte. Ltd. (“**SIPL**”) has entered into a Share Purchase Agreement (the “**SPA**”) with Mr. Luo Bo (“**LB**”) pursuant to which SIPL will acquire 40% of the shares in the capital of NWA (“**Shares**”) from LB (the “**Acquisition**”), subject to the satisfaction of mutually agreed conditions;

1.3.2 SIPL and SATS China Co., Ltd. (“**SATS China**”, and together with SIPL, the “**SATS Parties**”), LB and NWA (together, the “**SHA Parties**”) have entered into a Shareholders’ Agreement (the “**SHA**”) in relation to NWA which will take effect upon the successful completion of the Acquisition (“**Completion**”, and such date, the “**Completion Date**”); and

1.3.3 SATS China has entered into an earn-out payment agreement (the “**Payment Agreement**”) with LB, details of which are set out at paragraph 2.3 below.



(the SPA, SHA and Payment Agreement collectively, the “**Transaction Documents**”, and the transactions contemplated thereunder, the “**Proposed Transaction**”).

1.4 Upon Completion, the Group, through the SATS Parties, shall own 90% of NWA.

## 2. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

2.1 Under the SPA, 14,916,000 Shares, comprising 40% of the total issued Shares (the “**Target Shares**”) will be transferred by LB to SIPL, subject to the satisfaction of mutually agreed conditions. The aggregate consideration payable for the Target Shares is RMB 312,572,852 (approximately SGD 58.3 million<sup>1</sup>) (the “**Purchase Price**”), based on a price per Target Share of RMB 20.9555, subject to adjustment in accordance with the terms and conditions of the SPA.

2.2 Under the SHA, the SATS Parties shall have the right to, at any time and from time to time, acquire all or any part of the remaining Shares held by LB, in one (1) or more tranches at the SATS Parties’ sole discretion, at a fixed price of RMB 20.9555 per Share, for an aggregate amount of approximately RMB 78 million (approximately SGD 14.6 million)<sup>2</sup>.

2.3 To align shareholders’ interests following COVID-19, SATS China agreed to terminate the earn out arrangement set out in the 2019 SPA and implement a revised earn-out arrangement with LB. Under the Payment Agreement, the underlying earn-out calculation mechanism and performance targets remain unchanged from those set out in the 2019 SPA, save for adjustments to the relevant assessment periods and certain conditions that protect the Group’s interests. NWA has achieved and surpassed those performance targets, and LB is accordingly entitled to receive payments over five (5) years, subject to LB’s compliance with the mutually agreed conditions.

## 3. RATIONALE

3.1 Since SATS first invested in NWA in 2019, it has grown substantially by more than doubling its revenue<sup>3</sup> as Chinese carriers accelerate their adoption of frozen meals in their domestic operations. NWA is an important pillar of SATS China’s strategy to capitalise on the increasing adoption of high-quality frozen aviation meals by Chinese airlines.

3.2 The Group’s strategy in China remains focused on delivering best-in-class products and services to the aviation industry and NWA is a key enabler for the Group to grow locally by leveraging the resources of a leading player in the local market. The Proposed Transaction serves to optimise capacity and resources across the Group’s Fresh Frozen Meals production network (including unlocking synergies with the broader SATS business in China) and integrate NWA’s best-in-class frozen meal production capabilities in China to serve growing demand from Chinese carriers.

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<sup>1</sup> The exchange rate used in this announcement is SGD 1.00 : RMB 5.36, which is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.

<sup>2</sup> See footnote (1).

<sup>3</sup> Based on NWA’s audited financial reports for the financial year ended 31 December 2024.



#### **4. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION**

- 4.1** The Purchase Price will be funded through internal resources and paid in cash.
- 4.2** The Purchase Price was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis and determined on the basis of and taking into account, amongst other things, the enterprise value of NWA.
- 4.3** According to NWA's audited financial reports for the financial year ended 31 December 2024<sup>4</sup>, the (i) book value of the Target Shares is RMB 57.24 million (approximately SGD 10.68 million)<sup>5</sup> and (ii) net tangible asset value of the Target Shares is RMB 56.4 million (approximately SGD 10.52 million)<sup>6</sup>.
- 4.4** The Proposed Transaction is not expected to have any material impact on the Company's net tangible assets per share and consolidated earnings per share for the current financial year.

#### **5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Transaction Documents will be made available for inspection during normal business hours at the Company's registered office at 20 Airport Boulevard, Singapore 819659 for a period of three (3) months from the date of this announcement.

**BY ORDER OF THE BOARD OF  
SATS LTD.**

**Ian Chye**  
Company Secretary

**6 May 2026**

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<sup>4</sup> As at the date of this Announcement, the audited financial reports of NWA for the financial year ended 31 December 2024 are the latest available audited financial reports of NWA.

<sup>5</sup> See footnote (1).

<sup>6</sup> See footnote (1).