



MEDIA RELEASE

SATS AGREES TO BUY 50% STAKE IN NANJING WEIZHOU AIRLINE FOOD COMPANY

Deal gives SATS immediate market access and frozen food production capability in China

Singapore, 17 May 2019 – SATS Ltd. (SATS), Asia’s leading provider of Food Solutions and Gateway Services, today announced it agrees to buy 50% of China food company, Nanjing Weizhou Airline Food Company (TargetCo) through its wholly-owned subsidiary, SATS China Co. Ltd. (SCC).

Under the terms of the deal, SCC will acquire a 45% stake in TargetCo for approximately S\$25.5 million and another 5% through the subscription of new shares for approximately S\$5.7 million to achieve 50% stake in the company. After the transaction, SCC will have majority board control and key management positions in TargetCo. The deal also includes an earn-out incentive for achieving certain financial targets over a three-year period.

Founded in 2001, TargetCo is a major producer of frozen food, ambient meals and food components to aviation companies. Located in Jiangsu Province, the company has large-scale production facilities that are ISO22000, ISO9001, Halal and HACCP certified. It also has an extensive domestic network of 12 cold storage facilities and distribution channel partners serving 80 domestic airports across China.

This acquisition will enable SATS to tap on TargetCo’s frozen food development and production capabilities and provide SATS with access to strong aviation customers to grow and strengthen SATS’ position in the Chinese aviation market outside of its existing locations at Beijing, Daxing, Tianjin and Shenyang airports.

Said Alex Hungate, President and Chief Executive Officer of SATS, “Nanjing Weizhou Airline Food Company is a good fit for SATS’ growth strategy in China. They have strong relationships with major airlines and count all four big airlines in China as their key customers. We share a similar culture of culinary innovation and process improvements through automation. This partnership will allow both parties to unlock synergies to strengthen



our core business and expand our customer base to deliver greater efficiencies in distribution, supply chain and procurement in China.”

Luo Bo, Chairman and General Manager of Nanjing Weizhou Aviation Food Co., Ltd. added, “China aviation industry is growing exponentially and has now 229 airports across the country. Passenger throughput has also exceeded 1.1 billion. Nanjing Weizhou has been serving the China aviation industry for the past nineteen years and is now a leading supplier of frozen meals to airlines in China. We are excited to partner SATS to help us build upon our existing strong foundation to further enhance our level of service. Combining our great reputation in China with SATS’ sterling track record of operational excellence and high quality, we believe we can create exceptional value for our customers and jointly grow the market.”

Completion of the deal is subject to the fulfilment of certain conditions precedent.

None of the Directors or any controlling shareholders of TargetCo and SATS have any interest, direct or indirect, in the above transaction, other than through their respective interest (if any) in either of the companies.

– End –

Chinese Names

SATS Ltd	新翔集团有限公司
Nanjing Weizhou Airline Food Company	南京味洲航空食品股份有限公司
Alex Hungate	洪纪元
Luo Bo	罗波
President & Chief Executive Officer	集团总裁
Chairman & General Manager	董事长兼总经理



About SATS Ltd.

SATS is Asia's leading provider of Gateway Services and Food Solutions.

Our comprehensive gateway services encompass airfreight handling, passenger services, ramp handling, baggage handling, aviation security services, aircraft interior and exterior cleaning as well as cruise centre management. Our food solutions include airline catering, institutional and remote catering, aviation laundry as well as food distribution and logistics. SATS is present in over 60 locations and 13 countries across Asia and the Middle East.

SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit www.sats.com.sg.

Media Contact:

Carolyn Khiu

Vice President, Public Affairs & Branding

SATS Ltd

DID: (65) 6541 8200

Email: Carolyn_Khiulw@sats.com.sg