3 January 2023

THIS GATEFOLD IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

Transforming SATS into a Leading Global Air Cargo Handler

GATEFOLD TO SHAREHOLDERS IN RELATION TO:

THE PROPOSED ACQUISITION OF WORLDWIDE FLIGHT SERVICES

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	Sunday, 15 January 2023 at 2:30 p.m. (Singapore time)
Date and time of Extraordinary General Meeting	Wednesday, 18 January 2023 at 2.30 p.m. (Singapore time)
Place of Extraordinary General Meeting	Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 and Virtual Meeting by way of electronic means. Please refer to paragraphs 14 and 15 of, and Appendix C to, the Circular dated 3 January 2023 for further details.

BofA Securities is the lead financial adviser to the Company in respect of the Proposed Acquisition and financial adviser to the Company in respect of the Proposed Rights Issue

DBS is the lead financial adviser to the Company in respect of the Proposed Rights Issue and the financial adviser to the Company in respect of the Proposed Acquisition

Citi is the financial adviser to the Company in respect of the Proposed Acquisition and the Proposed Rights Issue

This Gatefold, together with the Circular, Notice of Extraordinary General Meeting ("**EGM**") and the accompanying Proxy Form have been made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the website of SATS Ltd. (the "**Company**" or "**SATS**") at the URL https://www.sats.com.sg/egm. A hard copy of the Circular will not be sent to shareholders of the Company. However, the Notice to EGM and the accompanying Proxy Form, together with this Gatefold and Frequently Asked Questions in relation to the Proposed Acquisition, have been mailed to all shareholders.

If you have sold or transferred all your shares in the capital of the Company, please forward this Gatefold with the Frequently Asked Questions, Notice of EGM and the attached Proxy Form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Gatefold.

The Chinese version of this Gatefold has been translated from the English version of this Gatefold. In the event of any inconsistency between the English and Chinese versions of this Gatefold, the English version shall prevail.

Chairman's Letter to Shareholders

> **This deal will transform SATS and position us strongly for the future by unlocking growth and building business resilience.**

Dear Shareholders,

I am writing to you to explain the rationale for SATS' Proposed Acquisition of Worldwide Flight Services ("WFS") and to set out why your Board believes that this acquisition is both strategically relevant and financially significant.

This deal is transformational for SATS and it will put us in a strong position for the future, unlocking significant growth potential and building business resilience. Acquiring WFS will strengthen our core Singapore base and create a leading air cargo handler with an unrivalled footprint and ability to service customers on a global scale through an interconnected global network of operations in leading airports.

As a combined company, SATS and WFS will be able to grow our Singapore base's ability to take advantage of structural tailwinds through a network effect generated by the greater connectivity. We will be able to leverage scale to accelerate digitalisation and automation to drive operational efficiencies. More importantly, we will be able to import and improve on best practices to upskill our Singapore core to become a leading expert in aviation hub management.

International expansion is a core part of SATS' twin-engine growth strategy, and WFS is a highly strategic and complementary asset with which we have minimal geographic and operational overlap. This deal establishes a highly diversified and truly global network across the Americas, Europe and Asia Pacific. It will better position us to respond to the competitive challenges of peers expanding their operations into Asia.

On a global scale, we will have the opportunity to play a bigger role in international trade flows at a time when our customers are telling us that they want greater speed, traceability and certainty across the whole of their supply chains. This acquisition will allow SATS to meet customers' needs. The company will be able to access powerful new business opportunities and will be better placed to navigate significant and unexpected market events, such as pandemics or economic slowdowns.

At the same time, SATS will continue to execute its Food Solutions strategy which includes strengthening the value chain presence, expanding geographical footprint, providing differentiated product offerings to appeal to wider consumer segments and leveraging innovations.

We believe the WFS acquisition will deliver scale advantages across all the SATS businesses from aviation services to food solutions.

WFS is a highly respected business with an impressive track record and a senior team that is staying in place and is committed to the long-term growth of the business. We are convinced that this is the right business for SATS to acquire following months of due diligence and bilateral negotiations.

We are assured that we have the right funding plan in place to support the acquisition. SATS is confident that it will be able to deleverage and meet its debt commitments with the potential free cash flows that will be generated from the combined business. We are also putting in place a detailed integration and strategic growth roadmap for the combined business. This will position us to capture meaningful growth and synergies and pave the way for a frictionless integration as we bring these two leading businesses together.

Benefits for Shareholders

With a balanced funding package, as detailed in the Circular dated 3 January 2023, the Proposed Acquisition has a highly compelling industrial and financial rationale that delivers clear benefits for SATS shareholders. On the one hand, it will create a strong platform for sustainable growth with a step change in revenue and EBITDA. On the other hand, it will be a defence against future market uncertainty, ensuring we deliver long-term value creation for all shareholders.

> **SATS' Directors are committed to taking up our full allotment of shares at the Proposed Rights Issue.**

Recommendation of Your Board of Directors

Your Board and management have concluded that WFS is the right asset of scale and reach for SATS to acquire. It provides us with the diversification and resilience to ensure that we not only thrive in our current Asian markets, but also secure our long-term future as an important player in a rapidly consolidating global market.

The Directors are therefore of the opinion that the Proposed Acquisition is in the best interests of the Company and accordingly recommend that shareholders vote in favour of the Resolution at the EGM. Furthermore, SATS' Directors are committed to taking up our full allotment of shares at the Proposed Rights Issue.

Yours sincerely,
Euleen Goh
Chairman
SATS Ltd.

Overview

CREATING A PRE-EMINENT GLOBAL AIR CARGO HANDLING PLATFORM

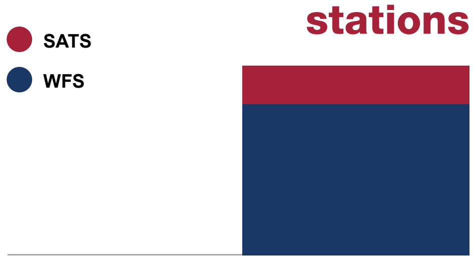
100% Acquisition of WFS

S$1,820[1]M Acquisition Cost

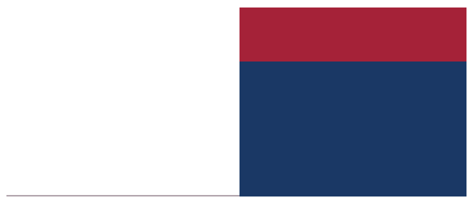
COMBINED WORLDWIDE NETWORK OF AIR CARGO HANDLING STATIONS

An Americas-Europe-Asia Pacific network with a global footprint of 201 cargo and ground stations in 23 countries.

Global Cargo and Ground Stations Count **201 stations**



Cargo Volume **10M tonnes**



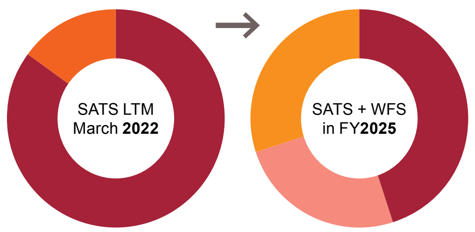
Combined Strategic Positions
Present in 5 of the top 10 Cargo Airports in:

North America	EMEA	APAC
Los Angeles International Airport	Frankfurt Airport	Hong Kong International Airport
O'Hare International Airport	Brussels Airport and Liege Airport	Taiwan Taoyuan International Airport
Miami International Airport	Paris Charles de Gaulle Airport	Singapore Changi Airport
John F. Kennedy International Airport	Amsterdam Airport Schiphol	Beijing Capital International Airport
Dallas Fort Worth International Airport	Heathrow Airport	Suvarnabhumi Airport

BUSINESS AND EARNINGS RESILIENCE

Geographic expansion and increased exposure to the resilient air cargo segment.

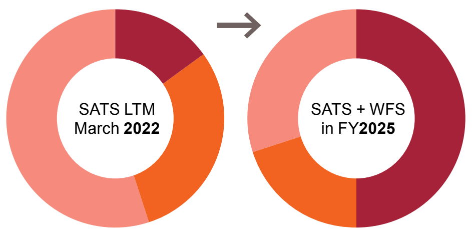
Revenue Contribution By Geography



SATS LTM March 2022	
Singapore	~85%
Ex. Singapore	~15%

SATS + WFS in FY2025	
Asia	~45%
EMEA	~25%
Americas	~30%

Revenue Contribution By Business



SATS LTM March 2022	
Cargo	~15%
Ground Handling	~30%
Food Solutions	~55%

SATS + WFS in FY2025	
Cargo (Incl. Express)	~50%
Ground Handling and Ancillary	~20%
Food Solutions	~30%

[1] As set out in paragraphs 7.4 and 7.6.1 of the Circular, the maximum Total Acquisition Cost of S$1,851 million will be incurred should Closing take place six weeks after the Longstop Date and if SATS is required to repay certain relevant facilities owed by the WFS Group.

Who is WFS?

Global aviation services company mainly focused on cargo handling

Active at **160 airport stations** in **18 countries** on **5 continents**

Serves a diversified base of approximately **300 customers** spread over **1,500 contracts**

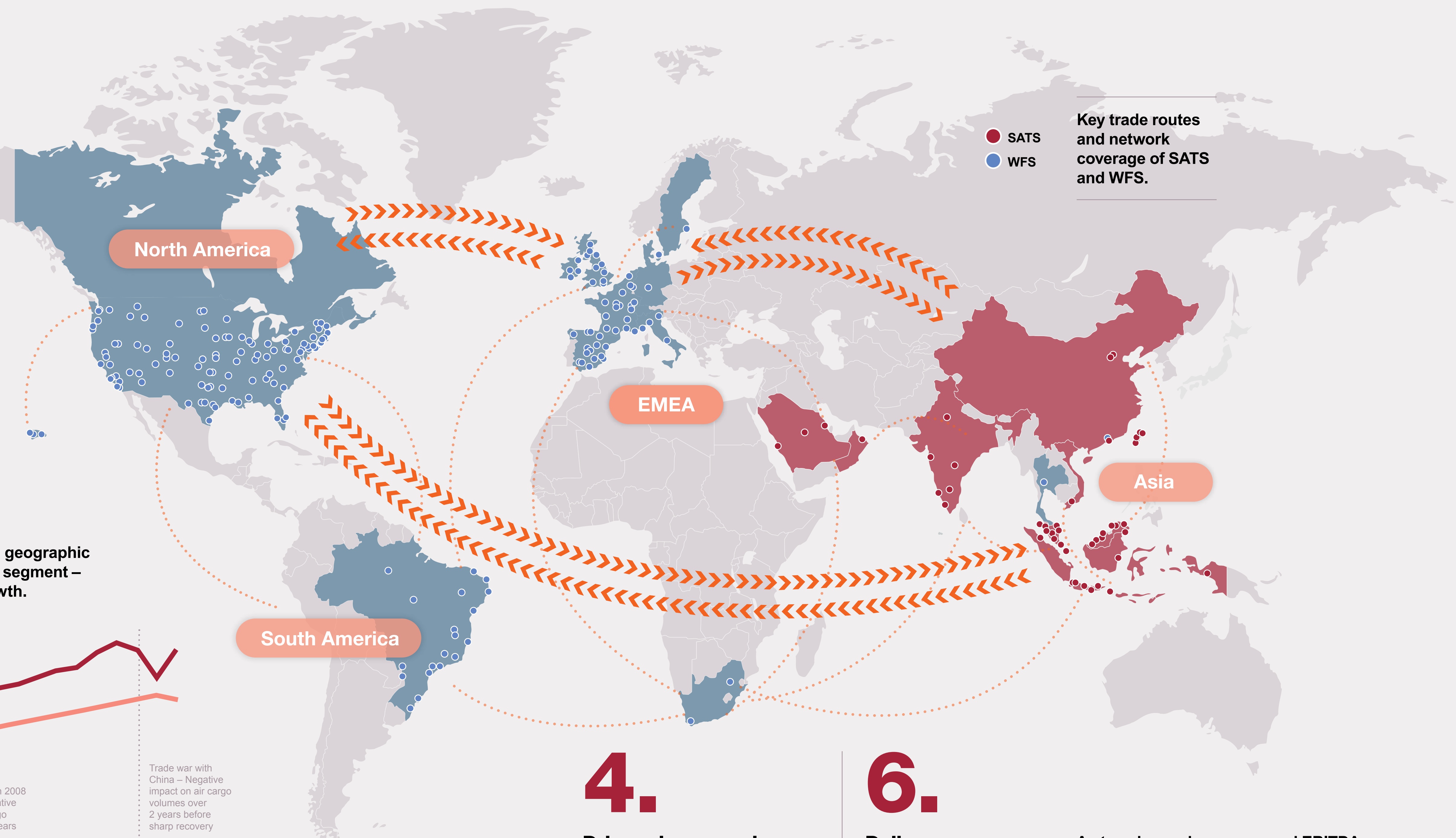
A leading cargo handler active at most of the major European and U.S. airports

Manages **over 800,000 sqm of cargo warehouse space** which is a key differentiating factor in cargo handling services

Customer Mix

Airlines ~50%	Integrators/ Freighters ~25%	Freight Forwarders/ Others ~25%
American Airlines	amazon	GEODIS
AIRFRANCEKLM GROUP	DHL	CAINIAO
SINGAPORE AIRLINES	UPS	DSV
CHINA AIRLINES	ATLAS AIR WORLDWIDE	DB SCHENKER
DELTA	KALITTA AIR	KUEHNE+NAGEL
IAG INTERNATIONAL AIRLINES GROUP		
Lufthansa		
ETIHAD		
QATAR AIRWAYS		
Emirates SkyCargo		

What value will this Proposed Acquisition bring to SATS?

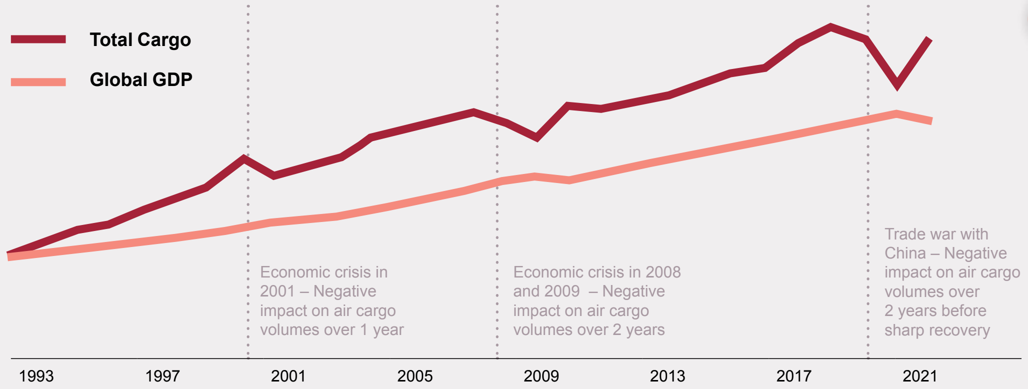


1.

Secures SATS' future by positioning it as a leading global air cargo handler with key strategic hubs in the Americas, Europe and Asia-Pacific and the ability to service customers on a global scale.

2.

Reinforces SATS' earnings resilience to provide a better balance between growth and yield through geographic expansion and increased exposure to the air cargo segment – the volumes of which have outperformed GDP growth.



10-year Annual Cargo Volume Growth

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2.1%	2.6%	4.1%	4.0%	2.3%	7.8%	4.2%	(2.5%)	(14.7%)	16.4%

3.

Allows SATS to capture value from sustained growth in eCommerce and increased demand for specialised, bespoke handling services involving pharmaceuticals and perishables.

eCommerce

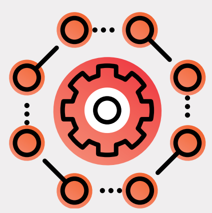
Projected global growth of	**10%** per annum
Including projected growth of	**25%** in Southeast Asia

For the period of 2020 to 2025

4.

Drives change and innovation across a larger network with combined insights and capabilities.

5.



Harnesses synergistic opportunities

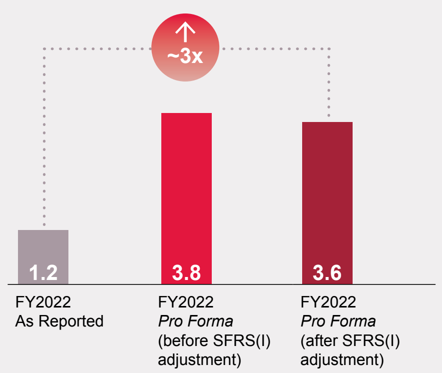
with an expected EBITDA run-rate in excess of S$100 million over the medium-term.

6.

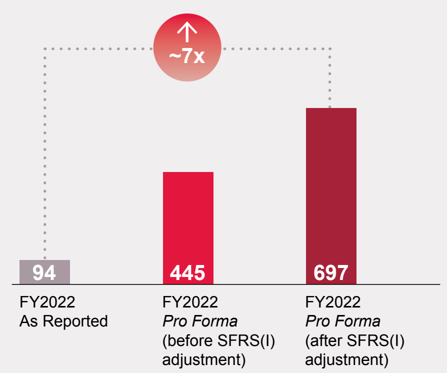
Delivers a strong and positive financial impact to SATS' investors.

A step change in revenue and EBITDA with strong operating profitability. The increase in EBITDA shown is before the inclusion of potential run-rate EBITDA synergies in excess of S$100 million over the medium-term.

Revenue (S$B)



EBITDA (S$M)



How does SATS plan to achieve synergies between the two companies?

The combined group is expected to capture meaningful run-rate EBITDA synergies in excess of S$100 million over the medium-term.

NEAR-TERM

Cross-selling

Opportunities to identify gaps in customer coverage across the combined business, driven by a new cross-selling sales team and other initiatives.

NEAR/MEDIUM-TERM

Network Expansion

A global network that positions SATS for continued growth across existing and new markets.

Global eCommerce Cargo Partnerships

Ability to leverage WFS's leading eCommerce / express cargo handling proposition in Asia.

MEDIUM-TERM

Accelerate Cargo Automation

A larger combined capital base that enables increased investment in productivity improvements and automation initiatives.

Reinforce Downstream Cargo Logistics

Opportunity to establish and scale a downstream logistics business across geographies.

The key areas of integration which will be initiated immediately upon closing:

01. Human resources culture and talent retention schemes

02. IT, digital, data alignment and cyber defence between systems

03. Financial reporting to meet SGX-ST requirements

04. Financial risk management

05. Compliance risk management

06. Branding, communication and government affairs

With the right leadership in place to deliver

With minimal operational overlap and sharing similar business values of delivering customer-centric solutions and service excellence, the management teams of SATS and WFS will be able to focus on planning a smooth integration and developing an overall business strategy to harness revenue synergies.

Key management of WFS, including its chief executive officer and chief financial officer, have indicated their intention to continue working with WFS post-closing, and appropriate retention plans will be mutually agreed between SATS and key management to support their retention.

Why is WFS the right company for SATS to acquire now?

01. **Greater earnings robustness** underpinned by an **asset-light business model** with **sustainable cash flow generation**

02. A **unique one-of-a-kind** asset that fits in with SATS' existing geographical coverage with minimal overlap

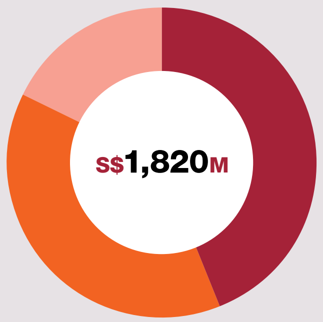
03. Positions SATS at the **centre of global trade flows** for air cargo which has historically proven to be robust

04. **Builds business and earnings resilience** against disruptions in supply chain and re-invention of cost structures caused by COVID-19 and encroaching competition in Asia

05. Enables SATS to be a **provider of end-to-end solutions to customers worldwide at consistent service levels**

How will this transaction be funded?

BALANCED FUNDING PLAN



- Proposed Rights Issue
- Term Loan
- Internal Cash

Up to approximately **S$800M** PROPOSED RIGHTS ISSUE	The Proposed Rights Issue and Proposed Acquisition are not inter-conditional. No shareholder approval will be needed for the Proposed Rights Issue.	
Approximately **S$700M** TERM LOAN	Comparable to the terms of the Company's existing borrowing facilities.	
S$320M INTERNAL CASH	From the Company's existing cash balance.	

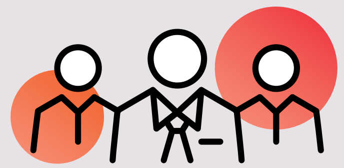
SATS believes this finalised funding plan provides a prudent and balanced mix of sources, and presents shareholders with an optimal value proposition for the Proposed Acquisition.

SATS is confident that it will be able to deleverage and meet its debt commitments with the potential free cash flows that will be generated from the combined businesses.

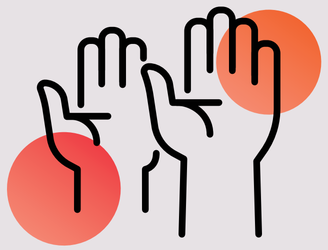
WILL THE BOARD OF DIRECTORS BE SUBSCRIBING TO THE RIGHTS ISSUE?

Yes!

The Directors will vote in favour of the Proposed Acquisition and intend to exercise their *pro rata* entitlements to the Proposed Rights Issue in full.



WILL TEMASEK BE SUBSCRIBING TO THE RIGHTS ISSUE?



Temasek Holdings (Private) Limited, a 39.68% shareholder (via its indirect wholly-owned subsidiary, Venezio Investments Pte. Ltd.), has provided an irrevocable undertaking to vote in favour of the Proposed Acquisition.

Venezio has indicated its intention, subject to the terms of the Proposed Rights Issue to be finalised, to subscribe for its *pro rata* entitlement to the Proposed Rights Issue.

It is envisaged that the Proposed Rights Issue will be underwritten by bank(s).

Vote to Transform SATS into a Leading Global Air Cargo Handler

What do you need to do?

You now have access to the Circular, the Notice of EGM, the Proxy Form and the FAQs

↓

Pre-register for the EGM at the URL https://www.sats.com.sg/egm

↓

Attend the EGM in person
- 18 January 2023
- 2:30 p.m.
- Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150

Attend the EGM virtually
- 18 January 2023
- 2:30 p.m.
- https://www.sats.com.sg/egm

Appoint a proxy to vote at the EGM by submitting a Proxy Form to be received by
- 2.30 p.m
- 15 January 2023

Submit questions in advance of the EGM by
- 5.00 p.m
- 11 January 2023

↓

Vote on the Proposed Acquisition during EGM

↓

A majority of shareholders approve the Proposed Acquisition:
SATS will proceed with the acquisition of WFS

A majority of shareholders do not approve the Proposed Acquisition:
SATS will not proceed with the acquisition of WFS

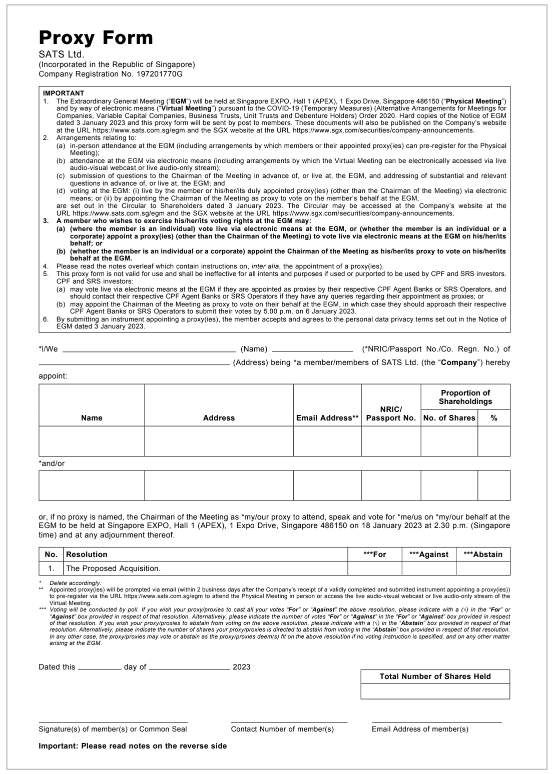
What if you can't attend the EGM?

If you are unable to attend the EGM in person, you may appoint someone you know, or the Chairman of the EGM, to vote on your behalf by completing the Proxy Form.

STEP 1 LOCATE THE PROXY FORM

The Proxy Form is enclosed together with this Gatefold and is also available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the SATS website at the URL https://www.sats.com.sg/egm.

STEP 2 COMPLETE THE PROXY FORM


Proxy Form
SATS Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

A. Fill in your name and particulars.

B. You may fill in the details of the appointee or leave this section blank. The Chairman of the EGM will be the appointee if this section is left blank.

C. Indicate your vote in the box labelled FOR, AGAINST or ABSTAIN.

D. As an individual shareholder, you must sign and indicate the date. For a corporation shareholder, the proxy form must be executed under its common seal or signed by a duly authorised officer or attorney and indicate the date.

E. Indicate the number of SATS Shares you hold.

STEP 3 SUBMIT THE COMPLETED PROXY FORM

If submitted by post, return the Proxy Form to the Company's Share Registrar:

M & C Services Private Limited
112 Robinson Road #05-01,
Singapore 068902

If submitted electronically, the Proxy Form must be submitted:

(a) via email to the Company's Share Registrar at **gpe@mncsingapore.com** or
(b) via the Company's pre-registration website at **https://www.sats.com.sg/egm**.

The Proxy Form must be received by the Share Registrar by 2.30 p.m. on 15 January 2023.

CPF and SRS Investors should note that they (i) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 January 2023.

If you require further assistance or information, please contact:

SATS Ltd.
Tel: (65) 6541 8200

BofA Securities
Global Investment Banking
Tel: (65) 6678 3655

DBS
Strategic Advisory
Tel: (65) 6878 2150

Citi
Banking, Capital Markets and Advisory
Tel: (65) 6225 5225

SATS LTD.
Company Registration No. 197201770G
20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

General Line
T: (65) 6542 5555
E: info_enquiry@sats.com.sg

Investor Relations
T: (65) 6541 8200
E: sats_ir@sats.com.sg

sats.com.sg

2023年1月3日

本折页非常重要，
请您立即予以关注。

如果您对理应采取的行动存有任何疑问，请立即咨询您的股票经纪人、银行经理、律师、会计师或任何其他专业顾问。

将新翔集团（SATS）转型为全球领先的航空货运处理公司

以下为股东须知事项：

拟收购环美航务（Worldwide Flight Services或WFS）

重要日期和时间

递交委派代表书的截止日期及时间	周日，2023年1月15日，下午2：30时（新加坡时间）
特别股东大会的日期和时间	周三，2023年1月18日，下午2：30时（新加坡时间）
特别股东大会地点	Singapore EXPO, Hall 1 (APEX), 1 Expo Drive，新加坡邮编486150，同时采用线上会议的方式。 如要了解更多详情，请参阅日期为2023年1月3日的通告函第14及15段以及附录C。

BofA SECURITIES

美银证券为本公司拟收购事项的首席财务顾问，也是本公司拟供股发行事项的财务顾问

DBS

星展银行为本公司拟供股发行事项的首席财务顾问，也是本公司拟收购事项的财务顾问

citi

花旗环球金融新加坡私人有限公司是本公司拟收购事项及拟供股发行事项的财务顾问

本折页连同通告函、特别股东大会通知（“EGM”）以及随附的委派代表书可在新加坡交易所网站（链接：https://www.sgx.com/securities/company-announcements）和新翔集团有限公司（ “**本公司**”或“**新翔集团**”）网站（链接：www.sats.com.sg/egm）上查阅。本公司不会将通告函印本寄予全体股东，但已将特别股东大会通知以及随附的委任代表书，连同本折页与常问问题。

如果您已出售或转让您在本公司股本中的全部股份，请立即将本折页及常问问题、特别股东大会通知以及随附的委派代表书立即交予买方或受让人，或交予负责出售或转让的银行、股票经纪人或代理人，以便其交予买方或受让人。

此文件的中文版翻译自英文版。若中、英文版本之间存有任何差异或冲突，一切将以英文版为准。

董事长致股东的信

通过释放增长潜力和建立弹性，本次收购将改变新翔集团，为我们的未来奠定坚实的基础。

尊敬的各位股东:

这封信意在解释新翔集团提议收购（“WFS”）的原因，同时说明董事会认为本次收购兼具战略意义和财务意义的理由。

本次收购是新翔集团的一次转型，它将使我们在未来处于有利地位，释放出巨大的增长潜力，并提高业务应变力。通过收购WFS，我们将优化位于新加坡的核心基地，同时打造成为一家领先的航空货运公司。凭借无可比拟的覆盖范围和独一无二的处理能力并基于领先型机场的全球互联运营网络，我们将为全球范围内的客户提供服务。

合并后，新翔集团和 WFS 将能够通过更大连通性产生的网络效应，增强我们新加坡基地顺势跟紧市场结构性变化的能力。我们将能够利用规模来加速数字化和自动化，从而提高运营效率。更重要的是，我们将能够导入和改进最佳实践，以提升我们新加坡核心团队的技能，使其成为航空枢纽管理领域的领先专家。

国际化扩张是新翔集团“双引擎增长战略”的核心部分，而由于我们与WFS在地理范围和业务上的最小重叠，WFS将成为一项具有高度战略性和互补性的资产。这笔交易将促使我们在美洲、欧洲和亚太地区建立一个高度多元化的真正的全球网络。这将使我们能够更好地应对同行将业务扩展到亚洲所带来的竞争挑战。

我们的客户表示，他们希望整个供应链的速度、可追溯性和确定性能得到进一步的提高。在全球范围内，新翔集团和WFS将有机会在国际贸易流动中发挥更大作用。本次收购不仅能使新翔集团满足客户的需求，获得强有力的新业务机会，还能促使本公司更好地应对重大和意外的市场事件，如新冠疫情的影响或经济放缓。

同时，新翔集团将继续执行其食品解决方案战略，包括加强价值链的影响力，扩大地理覆盖范围，提供独有的产品来吸引更多的消费者，并广泛利用创新技术。

我们相信新翔集团将通过收购WFS获得规模优势，从航空服务到食品解决方案的所有业务将取得进一步发展。

WFS是一家备受尊敬的企业，不仅拥有出色的业绩和资深团队，他们还一直致力于业务的长期增长。经过几个月的尽职调查和双边谈判，我们相信新翔集团的本次收购将是正确的决定。

我们也很有信心此次的合理融资计划能够有力支持这项收购。新翔集团坚信能够通过合并业务产生的潜在自由现金流去杠杆化，并履行债务承诺。与此同时，我们也正在为合并后的业务制定详细的整合以及战略增长路线图。两家领先的公司强强联合将使我们能够获取显著增长和协同效应，并为无摩擦的整合铺平道路。

股东利益

基于平衡的融资方案（详见2023年1月3日的通告），本次拟议收购的行业理由和财务理由极具说服力，它能为新翔集团股东带来明显的效益。一方面，它将为可持续增长打造强有力的平台，在收入和EBITDA（息税折旧摊销前利润）方面实现阶梯式变化。另一方面，它将成为对未来市场不确定性的防御，确保我们能为所有股东创造长期价值。

新翔集团的董事承诺将在拟议供股发行时，全数认购本公司的股份。

董事会的建议

根据本公司董事会和管理层得出的结论，WFS是符合新翔集团的收购规模的合理资产。它将为本公司带来多元性和弹性，确保我们不仅能在当前的亚洲市场上蓬勃发展，还能在快速整合的全球市场中作为重要参与者谋划长期的未来。

因此，各董事认为本拟议收购符合本公司的最佳利益，我们诚挚地建议各股东在特别股东大会上能投票赞成该决议。此外，新翔集团的各董事承诺，在拟议供股发行时，各董事将全数认购本公司股份。

诚挚问候
吴幼娟
董事会主席
新翔集团有限公司

概览

打造领先的全球航空货运处理平台

100% 收购 WFS

收购成本为 **18.2**[1] **亿新元**

全球航空货运处理站点联合网络

横跨美洲–欧洲–亚太网络，在全球23个国家拥有201个货运站和地勤站。

全球货运站数量 **201** **个站点**

货运量 **1千万** **公吨**

● 新翔集团
● 环美航务

整合的战略位置

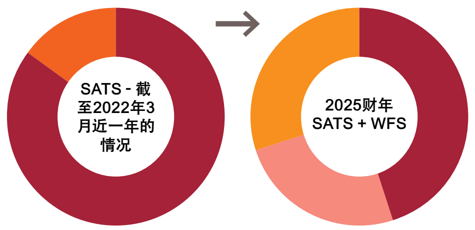
在前10大货运机场中，在5个机场均有业务

北美	欧洲、中东和非洲	亚太地区
洛杉矶国际机场	法兰克福机场	香港国际机场
奥黑尔国际机场	布鲁塞尔机场和列日机场	台湾桃园国际机场
迈阿密国际机场	巴黎戴高乐机场	新加坡樟宜机场
纽约约翰•菲茨杰拉德•肯尼迪国际机场	阿姆斯特丹史基浦机场	北京首都国际机场
达拉斯-沃斯堡国际机场	希思罗机场	苏瓦尔纳布米国际机场

业务及盈利弹性

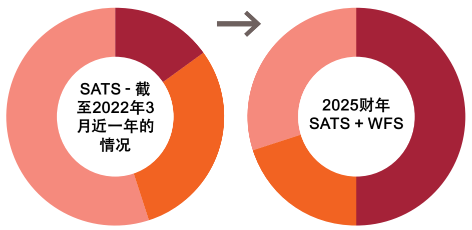
地域扩张和增加对弹性航空货运细分市场的敞口。

按地理位置划分的收入贡献



SATS - 截至2022年3月近一年的情况		2025财年 SATS + WFS	
新加坡	~85%	亚洲	~45%
新加坡以外	~15%	欧洲、中东和非洲	~25%
		美洲	~30%

按业务列划分的收入贡献



SATS - 截至2022年3月近一年的情况		2025财年 SATS + WFS	
货物	~15%	货物（包括快递货物）	~50%
地勤处理	~30%	地勤服务和辅助设备	~20%
食品产业	~55%	食品产业	~30%

[1] 按照通告函第7.4段及第7.6.1段所载，如在最终截至期限日期后6个星期结算，且新翔集团需要偿付WFS未付的有关设施费用，则收购总成本最高将达到18.51亿新加坡元。

WFS是谁?

WFS是一家全球航空服务公司，主要从事货运处理

服务范围遍及

5 大洲

18 个国家的

160 个机场站点

服务于约**300名客户，1500份合同，**打造多元化基础

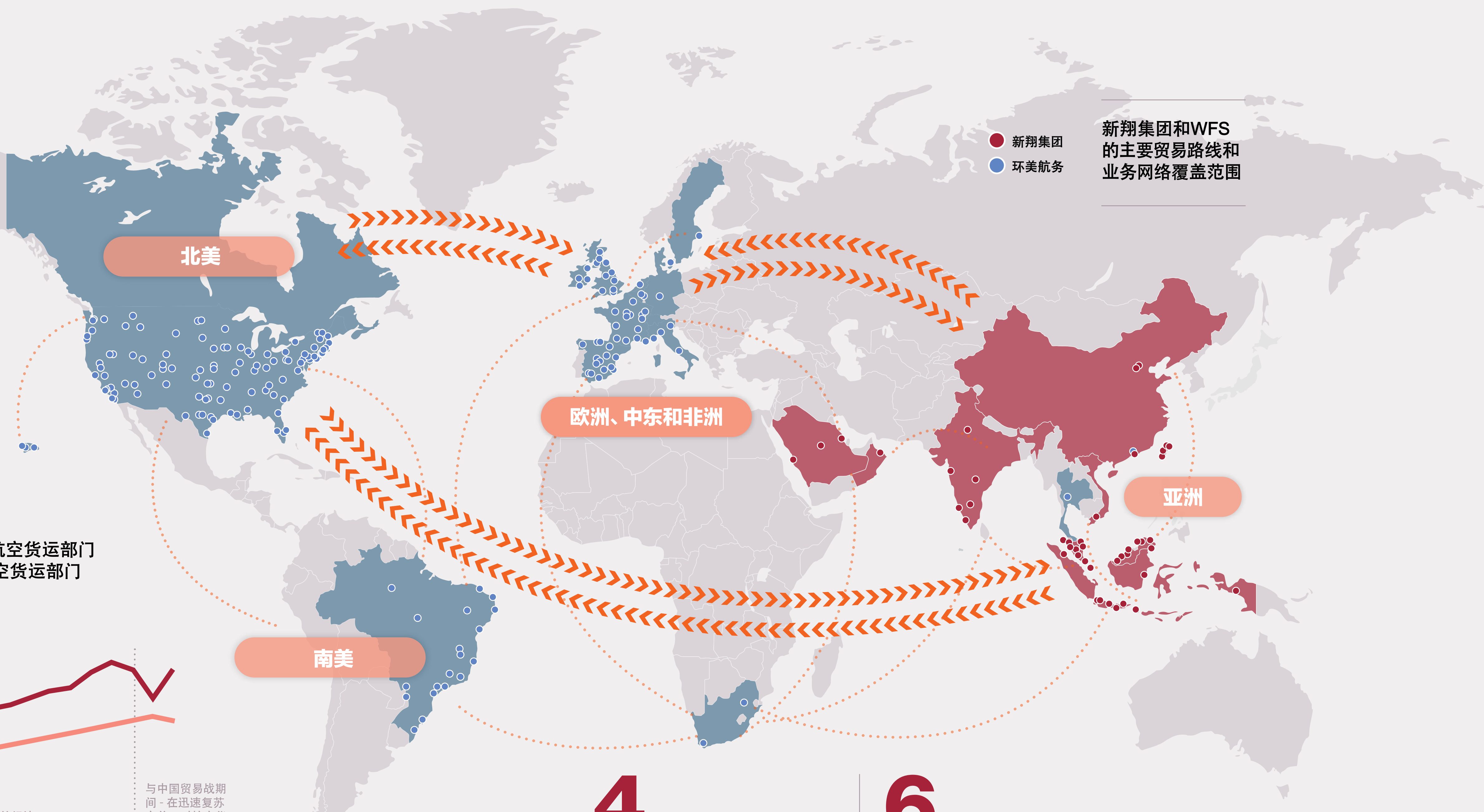
作为一家领先的货运公司，WFS活跃于欧洲和美国的主要机场

管理超过80万平方米的货物仓库空间，此为货运处理服务的关键差异化要素

客户组合

航空公司 ~50%	航空货运集成商 ~25%	货运代理公司/其他 ~25%
American Airlines	amazon	GEODIS
AIRFRANCE KLM GROUP	DHL	CAINIAO
SINGAPORE AIRLINES	ups	DSV
CHINA AIRLINES	ATLAS AIR WORLDWIDE	DB SCHENKER
DELTA	KALITTA AIR	KUEHNE+NAGEL
IAG INTERNATIONAL AIRLINES GROUP		
Lufthansa		
ETIHAD		
QATAR AIRWAYS		
Emirates SkyCargo		

拟议收购将为新翔集团创造哪些价值？

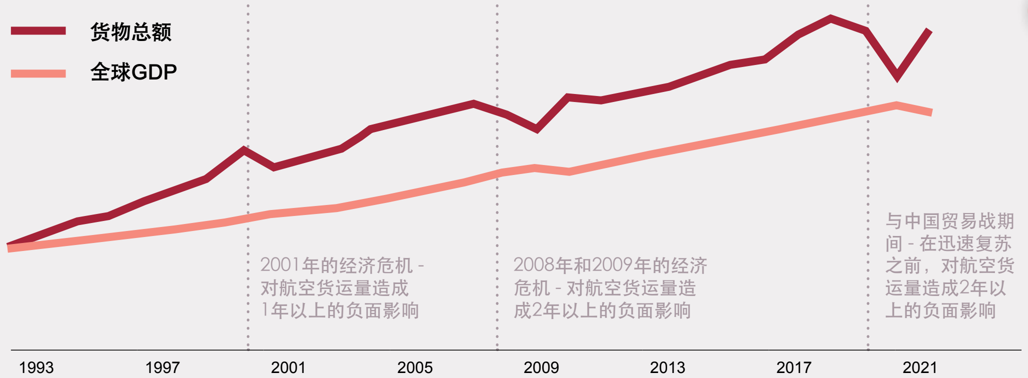


1.

将新翔集团定位为领先的全球航空货运处理商，在美洲、欧洲和亚太地区经营关键战略枢纽，并致力于在全球范围内为客户提供服务，以此保证集团未来。

2.

加强新翔集团的盈利弹性，通过地域扩张和增加对航空货运部门的敞口，在增长和收益之间提供更好的平衡——航空货运部门的业务量超过了GDP增长。



过去10年货运量的年增长率

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2.1%	2.6%	4.1%	4.0%	2.3%	7.8%	4.2%	(2.5%)	(14.7%)	16.4%

3.

通过诸如电子商务的持续增长以及对所涉药品和易腐品的专业化、定制化处理的需求增加，让新翔集团能捕捉新的价值。

电子商务

预计全球年增长率为	**10%**
其中东南亚地区预计年增长率为	**25%**

2020年至2025年期间。

4.

凭借整合的洞察力和能力，在更大的网络中推动变革和创新。

5.

利用协同机会

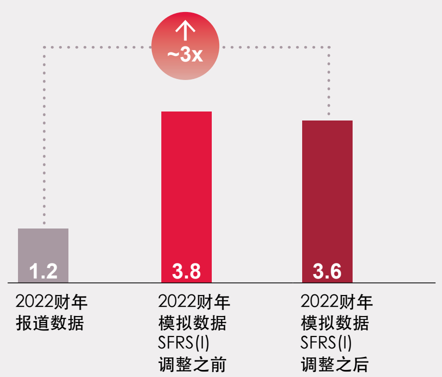
中期EBITDA运行率将超过1亿新元。

6.

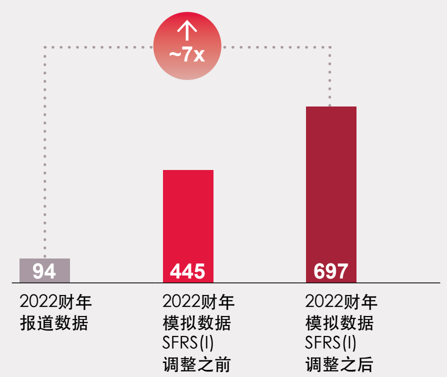
为新翔集团的投资者提供强劲积极的财务收益。

基于强劲的经营盈利能力，收入和EBITDA会发生彻底的改变。本处所示的EBITDA增长未纳入EBITDA运营率的潜在协同效应，该协同效应在中期将会超过1亿新元。

收入（十亿新元）



息税折旧摊销前利润（百万新元）



新翔集团计划如何实现两家公司的协同效应?

当新翔集团和WFS合并之后,新的实体预计将产生超过1亿新元的运营率EBITDA协同效应。

交叉销售

在新的交叉销售团队和其他举措的推动下,有机会发现客户覆盖率方面的差距。

网络拓展

针对现有和新市场的持续增长,打造符合新翔集团企业定位的全球化网络。

全球电子商务货运合作伙伴

利用WFS在亚洲领先的电子商务/快递货运处理方案。

加速货运自动化

基于更大的整合资本,增加对生产力改进和自动化举措的投资。

强化下游货运物流

建立并扩大跨地区的下游物流业务。

近期

近/中期

中期

收购WFS后将立即落实的主要整合领域:

01. 人力资源文化和留住人才计划

02. 信息技术、数字和数据的对齐并统一系统间的网络防御

03. 符合SGX-ST要求的财务报告

04. 财务风险管理

05. 合规风险管理

06. 品牌、传播和政府事务

在有效领导下

以客户为中心的解决方案和卓越服务是两家公司共享的商业价值观。此外,无重叠的运营更将使我们专注于平稳的整合和整体业务战略的制定,以最大获取收入的协同效应。

WFS的主要管理层,包括其首席执行官和首席财务官,已表明打算在收购结束后继续与公司合作。新翔集团及其主要管理层将共同商定适当的保留计划,协助他们的留任。

为什么WFS是目前适合新翔集团收购的公司？

01. **可持续产生现金流的轻资产业务模式**
让新翔集团的**盈利更稳健**

02. 在新翔集团当前地域覆盖范围内，WFS是与公司业务重叠最小的**独一无二**的资产

03. 将新翔集团定位为**全球贸易的流动中心**，获益于历来强劲的航空货运需求

04. **打造业务和盈利弹性**，以应对新冠疫情造成的供应链中断和成本结构重组，以及亚洲日益激烈的竞争

05. 让新翔集团能以**一致的服务标准为全球客户提供端到端的解决方案**

这笔交易将如何获得资金？

平衡的融资计划

- 拟议供股发行
- 定期贷款
- 内部现金

最多约
8亿新元
拟议供股发行

拟议供股发行无须股东批准。

建议供股及拟收购事项并非互为条件。

约
7亿新元
定期贷款

与公司现行的借贷工具的条款相当。

3.2亿新元
内部现金

来自公司现有的现金余额。

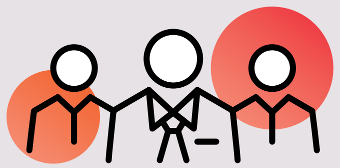
新翔集团认为这个最终确定的融资计划提供了审慎和平衡的资金来源组合，并为股东提供了拟议收购的最佳价值主张。

新翔集团很有信心能够去杠杆化，并通过合并业务产生的潜在现金流，履行其债务承诺。

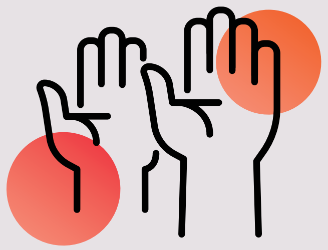
董事会成员会认购供股吗？

是的！

董事会成员将投票赞成拟议收购与打算充分行使其按比例享有的权利。



淡马锡（Temasek）会认购供股吗？



持有39.68%的新翔集团股份的淡马锡（通过其全资子公司Venezio Investments Pte. Ltd.持有股份），发布了一份不可撤销的承诺，表示其将投票赞成拟议收购。

Venezio表示，受制于最终确定的拟供股的条款，该公司将拟定比例认购相关权益。

据预计，拟议供股发行将由银行承销。

请投票将新翔集团转型为全球领先的航空货运处理商

您需要做什么？

您现在可以查阅通告函、特别股东大会通告、委派代表书和常见问题解答

您可以在 https://www.sats.com.sg/egm 为特别股东大会提前登记

亲自出席特别股东大会
在2023年1月18日
下午2: 30 时
Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, 新加坡邮编486150

线上参加特别股东大会
在2023年1月18日
下午2: 30时
https://www.sats.com.sg/egm

递交委派代表书，委任代表在特别股东大会上投票
下午2: 30时前
2023年1月15日

特别股东大会前提交问题
下午5时前
2023年1月11日

投票

股东于特别股东大会就拟议收购事项投票

多数股东批准拟议收购
新翔集团将进行收购WFS

多数股东不批准拟议收购
新翔集团将不会进行收购WFS

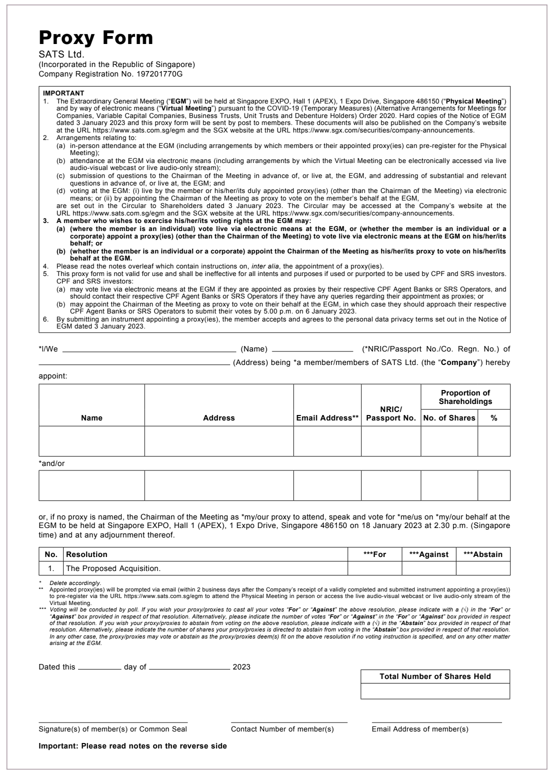
如果您无法参加特别股东大会，那该如何处理？

如果您无法亲自出席特别股东大会，您可以填写委派代表书，委任您认识的人士或特别股东大会主席代您投票。

第一步　索取委派代表书

委派代表书随本折页一起附上，也可以在新交所网站（链接https://www.sgx.com/securities/company-announcements）及本公司网站（链接https://www.sats.com.sg/egm）上查阅。

第二步　填写委派代表书



Proxy Form

SATS Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

IMPORTANT
1. The Extraordinary General Meeting ("**EGM**") will be held at Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 ("**Physical Meeting**") and by way of electronic means ("**Virtual Meeting**") pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Hard copies of the Notice of EGM dated 3 January 2023 and this proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL https://www.sats.com.sg/egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Arrangements relating to:
   (a) in-person attendance at the EGM (including arrangements by which members or their appointed proxy(ies) can pre-register for the Physical Meeting);
   (b) attendance at the EGM via electronic means (including arrangements by which the Virtual Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream);
   (c) submission of questions to the Chairman of the Meeting in advance of, or live at, the EGM, and addressing of substantial and relevant questions in advance of, or live at, the EGM; and
   (d) voting at the EGM: (i) live by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the EGM,
   are set out in the Circular to Shareholders dated 3 January 2023. The Circular may be accessed at the Company's website at the URL https://www.sats.com.sg/egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **A member who wishes to exercise his/her/its voting rights at the EGM may:**
   (a) (where the member is an individual) vote live via electronic means at the EGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote live via electronic means at the EGM on his/her/its behalf; or
   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
5. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors:
   (a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 January 2023.
6. By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 January 2023.

*I/We ______ (Name) ______ (*NRIC/Passport No./Co. Regn. No.) of ______ (Address) being *a member/members of SATS Ltd. (the "**Company**") hereby appoint:

Name	Address	Email Address**	NRIC/ Passport No.	Proportion of Shareholdings	
				No. of Shares	%

*and/or

or, if no proxy is named, the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *me/us on *my/our behalf at the EGM to be held at Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 on 18 January 2023 at 2.30 p.m. (Singapore time) and at any adjournment thereof.

No.	Resolution	***For	***Against	***Abstain
1.	The Proposed Acquisition.			

* *Delete accordingly.*
** Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register via the URL https://www.sats.com.sg/egm to attend the Physical Meeting in person or access the live audio-visual webcast or live audio-only stream of the Virtual Meeting.
*** *Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "**For**" or "**Against**" the above resolution, please indicate with a (√) in the "**For**" or "**Against**" box provided in respect of that resolution. Alternatively, please indicate the number of votes "**For**" or "**Against**" in the "**For**" or "**Against**" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on the above resolution, please indicate with a (√) in the "**Abstain**" box provided in respect of that resolution. Alternatively, please indicate the number of shares your proxy/proxies is directed to abstain from voting in the "**Abstain**" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on the above resolution if no voting instruction is specified, and on any other matter arising at the EGM.*

Dated this ______ day of ______ 2023

Total Number of Shares Held

Signature(s) of member(s) or Common Seal　　Contact Number of member(s)　　Email Address of member(s)

Important: Please read notes on the reverse side

A. 填写您的姓名和资料。

B. 您可以填写被委任人的资料或将此部分留空。如果此部分留空，特别股东大会主席则将成为受委任人。

C. 在标有赞成、反对或弃权的方框内表明您的投票。

D. 如果您是以个人身份委任代表，您必须签名并注明日期。如果您是以公司身份委任代表，委派代表书必须加盖公司公章或由正式授权的职员或律师签署，并注明日期。

E. 注明您所持有的新翔集团股份数量。

第三步　提交填妥的委派代表书

如以邮递方式提交，请将委派代表书交予本公司股份过户登记处：

M & C Services Private Limited
112 Robinson Road #05-01,
新加坡邮编 068902

如果以电子方式提交，请按照以下方式提交委派代表书：

(a) 通过电子邮件发送至本公司股份过户登记处的邮箱**gpe@mncsingapore.com**或
(b) 通过本公司的预注册网站 **https://www.sats.com.sg/egm** 提交。

委派代表书必须于2023年1月15日下午2:30时之前提交至公司股票过户登记处。

公积金/退休辅助计划的投资者应注意，(i) 如果贵方受各自的公积金代理银行或退休辅助计划的获批准银行委任为代表，则可在特别股东大会上以电子方式参与现场投票，且如果贵方想查询关于受委任为代表的事宜，则应联系公积金代理银行或退休辅助计划的获批准银行；或 (ii) 贵方可委任特别股东大会主席为受委任人，在大会上代之投票，但应于2023年1月6日下午2:30时之前，联系公积金代理银行或退休辅助计划的获批准银行提交其投票。

如果您需要更多帮助或信息，请联系：

新翔集团有限公司
Tel: (65) 6541 8200

美银证券
全球投资银行部
Tel: (65) 6678 3655

星展银行
策略咨询
Tel: (65) 6878 2150

花旗环球金融新加坡私人有限公司
企业银行、资本市场及财务顾问
Tel: (65) 6225 5225

新翔集团有限公司
公司注册号码. 197201770G

20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

联系方式
T: (65) 6542 5555
E: info_enquiry@sats.com.sg

投资者关系
T: (65) 6541 8200
E: sats_ir@sats.com.sg

sats.com.sg

CIRCULAR DATED 3 JANUARY 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

This Circular, together with the Notice of Extraordinary General Meeting ("**EGM**") and the accompanying Proxy Form, has been made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the website of SATS Ltd. (the "**Company**") at the URL https://www.sats.com.sg/egm. **A hard copy of this Circular will not be sent to Shareholders (as defined herein).** However, the Notice of EGM and the accompanying Proxy Form, together with the Gatefold and Frequently Asked Questions in relation to the Proposed Acquisition (as defined herein), will be mailed to all Shareholders.

If you have sold or transferred all your shares in the capital of the Company, please forward this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

SATS LTD.

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

THE PROPOSED ACQUISITION OF WORLDWIDE FLIGHT SERVICES BY SATS INTERNATIONAL SAS, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

BofA Securities is the lead financial adviser to the Company in respect of the Proposed Acquisition and financial adviser to the Company in respect of the Proposed Rights Issue

DBS is the lead financial adviser to the Company in respect of the Proposed Rights Issue and the financial adviser to the Company in respect of the Proposed Acquisition

Citi is the financial adviser to the Company in respect of the Proposed Acquisition and the Proposed Rights Issue

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	Sunday, 15 January 2023 at 2.30 p.m. (Singapore time)
Date and time of EGM	:	Wednesday, 18 January 2023 at 2.30 p.m. (Singapore time)
Place of EGM	:	Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 and Virtual Meeting by way of electronic means. Please refer to paragraphs 14 and 15 of, and Appendix C to, this Circular for further details.

TABLE OF CONTENTS

DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

"**9M 2022**"	:	The nine months ended 30 September 2022
"**Acquisition Bridge Facility**"	:	Has the meaning given to it in paragraph 8.2.4 of this Circular
"**Adjusted Base Consideration**"	:	The Base Consideration less the Disclosed Transaction Costs
"**Affiliate**"	:	In respect of any person, any person who or which, directly or indirectly, Controls, or is Controlled by, or is under common Control with such person, provided that, for the purposes of this Circular: (a) no Seller shall be deemed to be an Affiliate of any other Seller; and (b) no person other than SATS, each of its subsidiaries and each of its holding companies shall be deemed to be an Affiliate of SATS International or SATS, and, for the avoidance of doubt, Temasek Holdings (Private) Limited and each of its subsidiaries (other than SATS and its subsidiaries) shall not be deemed to be an Affiliate of SATS International or SATS
"**Aggregate Consideration**"	:	Has the meaning given to it in paragraph 7.3 of this Circular
"**APAC**"	:	Asia Pacific
"**Base Consideration**"	:	Has the meaning given to it in paragraph 7.3.1 of this Circular
"**Board**"	:	The board of Directors of the Company as at the Latest Practicable Date
"**BofA Securities**"	:	Merrill Lynch (Singapore) Pte. Ltd.
"**Break Fee**"	:	Has the meaning given to it in paragraph 7.10 of this Circular
"**business day**"	:	A day on which commercial banks are open for business in Singapore, other than Saturdays, Sundays and days which have been gazetted as public holidays in Singapore
"**CARES Act**"	:	The U.S. Coronavirus Aid, Relief and Economic Security Act
"**CDP**"	:	The Central Depository (Pte) Limited
"**CEO**"	:	Chief Executive Officer
"**Circular**"	:	This circular dated 3 January 2023

"**Citi**"	:	Citigroup Global Markets Singapore Pte. Ltd.
"**Closing**"	:	Has the meaning given to it in paragraph 7.2 of this Circular
"**Closing Date**"	:	Has the meaning given to it in paragraph 7.3.3 of this Circular
"**Companies Act**"	:	The Companies Act 1967
"**Company**" or "**SATS**"	:	SATS Ltd.
"**Condition**" and "**Conditions**"	:	Have the meanings respectively given to them in paragraph 7.7 of this Circular
"**Connected Person**"	:	In respect of:

(a) the Institutional Seller:

(i) any of its directors, officers or employees; and

(ii) any directors or officers of other members of the Institutional Seller's Group; and

(b) any Seller other than the Institutional Seller:

(i) where such Seller is an individual:

(I) any spouse, civil partner, co-habitee, lineal descendant (by blood or adoption), parents, step parents or siblings (by blood or adoption) of such Seller;

(II) any entity in which such Seller is a director (other than a Target Group Company); and

(III) any entity Controlled by such Seller; and

(ii) in any other case, any of its managers (provided that such person is not the Institutional Seller or any other Seller), or person for whom such Seller holds shares in the Target as trustee or nominee or in any other capacity whatsoever,

provided that, (i) no member of the Target Group shall be a Connected Person of any Seller referred to in (b)(i) above; and (ii) no Seller shall be deemed to be a Connected Person of any other Seller

"**Control**"	:	With respect to any other person, the possession, directly or indirectly, of power (de jure or de facto) to direct or cause the direction of management or policies of such person (whether through ownership of voting securities or partnership or other ownership interests (including any special rights held, attached or in addition to the ownership of any such voting securities, partnership or other ownership interests), by contract or otherwise), and "**Controlled by**" and "**under common Control with**" shall be construed accordingly
"**CPF**"	:	The Central Provident Fund
"**CPF and SRS Investors**"	:	Investors who have purchased Shares using their CPF savings under the CPF Investment Scheme or their SRS contributions pursuant to the SRS (and each of them, a "**CPF and SRS Investor**")
"**CPF Agent Bank**"	:	Any agent bank appointed by an Investor to maintain such Investor's CPF Investment Account
"**CTKs**"	:	Cargo tonne-kilometres
"**DBS**"	:	DBS Bank Ltd.
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Disclosed Transaction Costs**"	:	The transaction costs (if any) paid, incurred or agreed to be paid by any Target Group Company from (but excluding) 31 March 2022 until Closing in connection with the Proposed Acquisition, the details of which are set out in the closing payments schedule to be provided by the Institutional Seller to SATS International pursuant to the SPA, up to an aggregate maximum amount of €30 million (approximately equivalent to S$41 million)
"**Dutch GAAP**"	:	Generally accepted accounting principles in the Netherlands
"**Dutch Holding Companies**"	:	Promontoria Holding 243 B.V., Promontoria Holding 244 B.V. and Promontoria Holding 263 B.V.
"**EBITDA**"	:	Earnings before interest, taxes, depreciation and amortisation
"**EGM**"	:	The extraordinary general meeting of Shareholders, notice of which is set out on page N-1 of this Circular
"**EMEA**"	:	Europe, the Middle East and Africa
"**EMEAA**"	:	Europe, the Middle East, Africa and Asia
"**EPS**"	:	Earnings per Share
"**EU**"	:	The European Union
"**EURIBOR**"	:	Euro Interbank Offered Rates

“**EV**”	:	Enterprise value
“**Financial Advisers**”	:	BofA Securities, Citi and DBS
“**French GAAP**”	:	Generally accepted accounting principles in France
“**FY22**”	:	The financial year ended 31 March 2022
“**FY25**”	:	The financial year ending 31 March 2025
“**GDP**”	:	Gross domestic product
“**General Mandate**”	:	The general mandate granted on 22 July 2022 by Shareholders to the Directors to issue, among others, new Shares
“**IATA**”	:	International Air Transport Association
“**IFRS**”	:	International Financial Reporting Standards
“**Institutional Seller**”	:	Has the meaning given to it in paragraph 1.1 of this Circular
“**Institutional Seller’s Group**”	:	(a) The Institutional Seller; (b) any Affiliates of the Institutional Seller; (c) any fund managed and/or advised by any adviser or manager of the Institutional Seller and/or any of its Affiliates; and (d) any general partner, trustee, nominee, operator, arranger, or manager of, or investment adviser to, the Institutional Seller or of or to any Affiliate of the Institutional Seller, or of or to any fund managed and/or advised by any investment adviser or manager of the Institutional Seller and/or any of its Affiliates, but shall not include any portfolio company or portfolio investment (as such terms are commonly understood in the private equity industry) of: (i) the Institutional Seller; or (ii) the Institutional Seller’s Affiliates; or (iii) any fund managed and/or advised by any investment adviser or manager of the Institutional Seller and/or any of its Affiliates
“**John Menzies**”	:	John Menzies PLC
“**JPY**”	:	The lawful currency of Japan
“**Latest Practicable Date**”	:	23 December 2022, being the latest practicable date prior to the date of this Circular
“**Lender Pay-Off Amount**”	:	Has the meaning given to it in paragraph 7.6.1 of this Circular
“**Listing Manual**”	:	The listing manual of the SGX-ST

"**Longstop Date**"	:	Has the meaning given to it in paragraph 7.9 of this Circular
"**LTM**"	:	Last 12 months
"**Maximum Aggregate Consideration**"	:	Has the meaning given to it in paragraph 7.4 of this Circular
"**Mercury**"	:	Mercury Air Cargo Services, LLC, Mercury Air Cargo, LLC and Maytag Aircraft LLC
"**NAV**"	:	Net asset value
"**NTA**"	:	Net tangible assets
"**Physical Meeting**"	:	Has the meaning given to it in paragraph 14 of this Circular
"**Pinnacle**"	:	IAS Logistics DFW, LLC
"**Proposed Acquisition**"	:	Has the meaning given to it in paragraph 1.1 of this Circular
"**Proposed Acquisition Resolution**"	:	Has the meaning given to it in paragraph 1.2 of this Circular
"**Proposed Rights Issue**"	:	Has the meaning given to it in paragraph 8.2.2(i) of this Circular
"**PSP**"	:	Payroll Support Programs
"**Q1 2021**"	:	The financial quarter ended 31 March 2021
"**Q1 2022**"	:	The financial quarter ended 31 March 2022
"**Q2 2021**"	:	The financial quarter ended 30 June 2021
"**Q2 2022**"	:	The financial quarter ended 30 June 2022
"**Q3 2021**"	:	The financial quarter ended 30 September 2021
"**Q3 2022**"	:	The financial quarter ended 30 September 2022
"**Q4 2019**"	:	The financial quarter ended 31 December 2019
"**Q4 2020**"	:	The financial quarter ended 31 December 2020
"**Q4 2021**"	:	The financial quarter ended 31 December 2021
"**Regulatory Conditions**"	:	The conditions in paragraph 1(b) of Appendix A to this Circular
"**Regulatory Conditions Satisfaction Date**"	:	The date on which all of the Regulatory Conditions are satisfied or waived in accordance with the SPA

"**Released Deposits**"	:	The aggregate amount of cash deposits placed with any third parties as guarantee or surety by any Target Group Company as at 31 March 2022 that are: (a) replaced with letters of credit where the letter of credit is for an amount not more than 110 per cent. of the relevant cash deposit and is otherwise on terms substantially similar to letters of credit issued in the ordinary course of business of the Target Group consistent with past practice; or (b) replaced with parent company guarantees from a Target Group Company or any other form of third-party guarantee or credit support, in each case which are on terms substantially similar to the forms of guarantees or other credit support issued in the ordinary course of business of the Target Group consistent with past practice; or (c) cancelled, and which are then refunded or paid to the Target Group in cash during the period from (but excluding) 31 March 2022 to (and including) the Closing Date, up to an aggregate maximum of €39 million (approximately equivalent to S$54 million)
"**Relevant Facilities**"	:	Has the meaning given to it in paragraph 7.6.1 of this Circular
"**Rights Shares**"	:	New Shares to be issued pursuant to the Proposed Rights Issue
"**S$**" or "**Singapore cents**"	:	Singapore Dollar and cents respectively, unless otherwise stated
"**Sale Shares**"	:	Has the meaning given to it in paragraph 1.1 of this Circular
"**SATS Group**"	:	The Company and its subsidiaries
"**SATS International**"	:	SATS International SAS, an indirect wholly-owned subsidiary of the Company
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP (but not including a securities sub-account)
"**Securities and Futures Act**" or "**SFA**"	:	The Securities and Futures Act 2001
"**Sellers**"	:	Has the meaning given to it in paragraph 1.1 of this Circular
"**Sellers' Warranties**"	:	Has the meaning given to it in paragraph 7.11.1 of this Circular
"**Senior Secured Notes**"	:	The: (a) €340 million (approximately equivalent to S$470 million) in aggregate principal amount of 6⅜ per cent. senior secured notes due 2027;

		(b) US$400 million (approximately equivalent to S$574 million[1]) in aggregate principal amount of 7⅞ per cent. senior secured notes due 2027; and (c) €250 million (approximately equivalent to S$345 million) in aggregate principal amount of senior secured floating rate notes due 2027, in each case, issued by Promontoria Holding 264 B.V. and as evidenced by global notes expressed to be governed by the laws of the State of New York pursuant to an indenture dated 9 February 2022
"**SFRS(I)**"	:	The Singapore Financial Reporting Standards (International) prescribed by the Accounting Standards Council of Singapore
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term "**Shareholders**" shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
"**Shares**"	:	Ordinary shares in the capital of the Company
"**SPA**"	:	Has the meaning given to it in paragraph 1.1 of this Circular
"**SPA Business Day**"	:	A day which is not a Saturday, a Sunday or a public holiday in the Netherlands, Singapore, France or the United States of America
"**SRS**"	:	Supplementary Retirement Scheme
"**SRS Operator**"	:	Any agent bank appointed by an Investor to operate such Investor's SRS account
"**Swissport**"	:	Swissport International Ltd.
"**Target**"	:	Has the meaning given to it in paragraph 1.1 of this Circular
"**Target Group**"	:	The Target and its subsidiaries
"**Target Group Company**"	:	A member of the Target Group
"**Term Loan**"	:	Has the meaning given to it in paragraph 8.2.1 of this Circular
"**Total Acquisition Cost**"	:	Has the meaning given to it in paragraph 8.1 of this Circular

[1] Based on a US$ to S$ exchange rate of 1:1.4361, which was the exchange rate as at 27 September 2022.

"**Underwriter(s)**"	:	The bank(s) to be appointed as underwriter(s) for the Proposed Rights Issue
"**US$**" or "**U.S. Dollar**"	:	The lawful currency of the United States of America
"**Venezio**"	:	Venezio Investments Pte. Ltd., an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited
"**Virtual Meeting**"	:	Has the meaning given to it in paragraph 14 of this Circular
"**Warrantors**"	:	Has the meaning given to it in paragraph 7.11.2 of this Circular
"**Warranty Deed**"	:	Has the meaning given to it in paragraph 7.11.2 of this Circular
"**Warranty Deed Warranties**"	:	Has the meaning given to it in paragraph 7.11.2 of this Circular
"**WFS**"	:	WFS Global Holdings SAS
"**WFS Bonds Offering Memorandum**"	:	The offering memorandum published by Promontoria Holding 264 B.V. on 3 February 2022 in connection with €340 million aggregate principal amount of its 6⅜ per cent. senior secured notes due 2027, US$400 million aggregate principal amount of its 7⅞ per cent. senior secured notes due 2027 and €250 million aggregate principal amount of its senior secured floating rate notes due 2027
"**WFS Bondholder Reports**"	:	Reports to bondholders issued by Promontoria Holding 264 B.V. on a quarterly basis, available on the WFS investors website which access can be requested from WFS directly at this email link: investorrelations@wfs.aero
"**WFS Bondholder Report Presentations**"	:	Presentation decks issued by Promontoria Holding 264 B.V. on a quarterly basis in relation to the WFS Bondholder Reports, available on the WFS investors website, which access can be requested from WFS directly at this email link: investorrelations@wfs.aero
"**WFS Group**"	:	Promontoria Holding 264 B.V. and its subsidiaries
"**%**" or "**per cent.**"	:	Per centum or percentage
"**€**" or "**EUR**" or "**Euro**"	:	The lawful currency of the participating member states of the European Union

The terms "**Depositor**" and "**Depository Register**" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

In this Circular, unless otherwise stated and to the extent applicable, figures in € have been converted to S$ based on a €:S$ exchange rate of 1:1.3809, which was the exchange rate as at 27 September 2022, except for: (a) the financial information of the Target Group set out in paragraph 2.2 of this Circular; and (b) the FY22 combined *pro forma* financial numbers, which have been converted at a €:S$ exchange rate of 1:1.5077, which was the exchange rate as at 31 March 2022.

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

INDICATIVE TIMETABLE

Key Event	Date and Time[1]
Last date and time for CPF and SRS Investors who wish to appoint the Chairman of the Meeting as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes	6 January 2023 at 5.00 p.m.
Last date and time for submission of questions in advance of the EGM	11 January 2023 at 5.00 p.m.
Last date and time for lodgement of Proxy Forms and pre-registration for attendance at the EGM	15 January 2023 at 2.30 p.m.
Date by which authenticated shareholders and, where applicable, appointed proxy(ies), who have pre-registered for the EGM via the pre-registration website, will receive either an email confirming physical attendance for the Physical Meeting or an email confirming virtual attendance for the Virtual Meeting	By 17 January 2023 at 2.30 p.m.
Date and time of the EGM	18 January 2023 at 2.30 p.m.
Expected clearance of antitrust and foreign direct investment filings	By February 2023
Expected launch of the Proposed Rights Issue	First quarter 2023
Expected Closing Date	On or around 31 March 2023
Longstop Date	28 July 2023[2]

Notes:

(1) All dates and times referred to above are Singapore dates and times. Please note that the timetable for the events which are scheduled to take place after the EGM are indicative only and may be subject to change, and assumes that Shareholders approve the Proposed Acquisition Resolution at the EGM.

(2) Longstop Date can be further extended to 28 September 2023 by the Institutional Seller (or such other date as the Institutional Seller and SATS International may agree in writing).

SATS LTD.

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

Directors:

Ms Euleen Goh Yiu Kiang
(*Non-Executive Chairman and Independent Director*)
Mr Kerry Mok Tee Heong
(*Executive Director, President and Chief Executive Officer*)
Mr Achal Agarwal (*Non-Executive, Independent Director*)
Ms Vinita Bali (*Non-Executive, Independent Director*)
Mr Chia Kim Huat (*Non-Executive, Independent Director*)
Mr Michael Kok Pak Kuan (*Non-Executive, Independent Director*)
Ms Jenny Lee Hong Wei (*Non-Executive, Independent Director*)
Ms Deborah Tan Yang Sock (Mrs Deborah Ong)
(*Non-Executive, Independent Director*)
Ms Jessica Tan Soon Neo (*Non-Executive, Independent Director*)
Mr Tan Soo Nan (*Non-Executive, Independent Director*)
Mr Yap Kim Wah (*Non-Executive, Independent Director*)

Registered Office:

20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

3 January 2023

To: The Shareholders of SATS Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1 Overview. On 28 September 2022, the Company announced that it and SATS International, its indirect wholly owned subsidiary, had entered into a sale and purchase agreement (the "**SPA**") with Promontoria 52 Coöperatie U.A. (the "**Institutional Seller**") and certain management sellers (collectively and together with the Institutional Seller, the "**Sellers**") to acquire all of the issued shares (the "**Sale Shares**") of Promontoria Holding 243 B.V. (the "**Target**", and the acquisition, the "**Proposed Acquisition**"). The Target is a holding company which indirectly owns 100% of the shares in WFS. Save for the shares in WFS held indirectly by the Target, the Target does not hold any other assets or businesses of substance.

The Proposed Acquisition constitutes a major transaction for SATS for the purposes of Rule 1014 of the Listing Manual and, accordingly, is subject to the approval of Shareholders in a general meeting.

1.2 Purpose of this Circular. The Directors propose to convene the EGM to seek Shareholders' approval for the Proposed Acquisition. This approval is a condition to Closing.

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with the relevant information relating to, the Proposed Acquisition, and to seek Shareholders' approval for the resolution to be tabled at the EGM in connection with the Proposed Acquisition (the "**Proposed Acquisition Resolution**"). The Proposed Acquisition Resolution is set out in the Notice of EGM on page N-1 of this Circular.

Further information on the Proposed Acquisition is set out in the frequently asked questions which have been uploaded together with this Circular on the Company's website at the URL https://www.sats.com.sg/egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

1.3 **Appointment of Advisers**. BofA Securities is the lead financial adviser and DBS and Citi are the financial advisers[2] to the Company in respect of the Proposed Acquisition. DBS is the lead financial adviser and BofA Securities and Citi are the financial advisers to the Company in respect of the Proposed Rights Issue.

Latham & Watkins LLP is the legal adviser to the Company in respect of the Proposed Acquisition as to matters of English law. Allen & Gledhill LLP is the legal adviser to the Company in respect of the Proposed Acquisition as to matters of Singapore law.

1.4 **Voting Undertaking**. As at the Latest Practicable Date, Venezio holds 446,123,158 Shares, representing approximately 39.68 per cent. of the Shares in issue (excluding treasury shares)[3]. In conjunction with the execution of the SPA, Venezio has provided an irrevocable undertaking to the Company, pursuant to which Venezio has undertaken to vote all Shares it owns in favour of the Proposed Acquisition Resolution at the EGM.

2. INFORMATION ON WFS

2.1 **WFS**. WFS is a global aviation services company principally focused on cargo handling. As of 30 September 2022, the WFS Group is active at 160 airport stations in 18 countries on five continents. The WFS Group serves a diversified blue-chip customer base which includes approximately 300 customers globally spread across over 1,500 contracts, with approximately 58% revenue contribution from North America, 35% from EMEA and the remaining 7% from South America and Asia for the 12 months ended 30 September 2022. In addition, as noted in the WFS Bonds Offering Memorandum, its contract renewal rate has been over 90%. The WFS Group's cargo handling operations, which represented approximately 77% of total reported revenue in the 12 months ended 30 September 2022, encompass cargo loading, unloading and storage at about 170 warehouses in prime airport locations worldwide. The WFS Group also provides ground handling services, value-added services for transport operators (primarily operation, maintenance and installation of transport related infrastructure and equipment) and passenger services, which together, represented approximately 23% of its reported revenue for the 12 months ended 30 September 2022. As of 30 September 2022, the WFS Group had nearly 31,000 employees.

The WFS Group operates at some of the busiest airports in the world, such as Paris Charles de Gaulle (CDG), New York John F. Kennedy (JFK), London Heathrow (LHR), Madrid-Barajas (MAD), Frankfurt (FRA), Los Angeles (LAX), Dallas Fort Worth (DFW) and Bangkok Suvarnabhumi (BKK), and it is one of the leading cargo handlers active at most of the major European and U.S. airports. Based on average flight volume and aircraft size at the airports at which the WFS Group operates, it handled approximately 7.1 million metric tons of cargo[4] in the 12 months ended 31 December 2021.

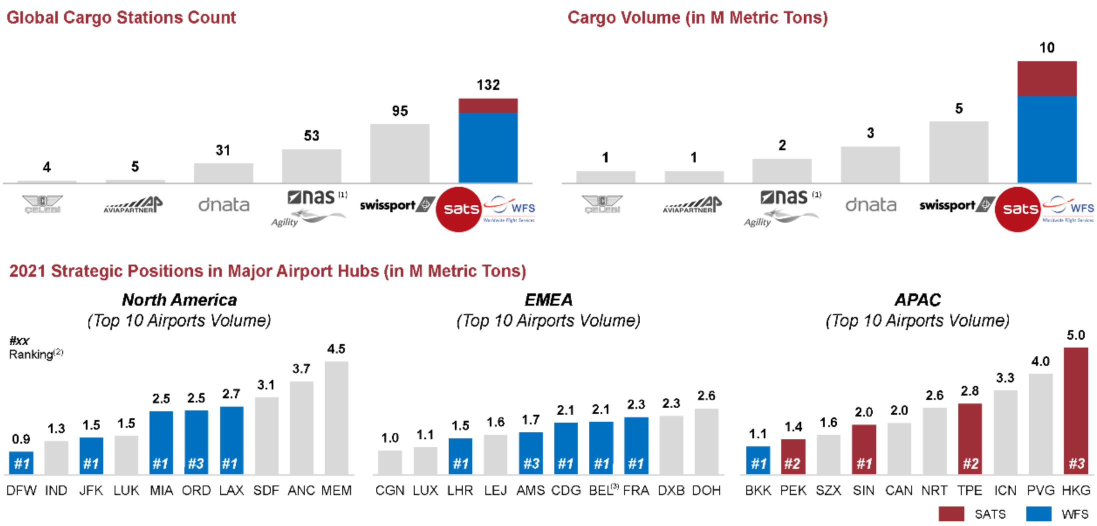
In addition to its broader cargo handling capabilities, the WFS Group offers specialist handling services implemented for dedicated integrators, eCommerce and freight forwarder players,

[2] In relation to advisory and regulatory matters in Singapore for DBS.
[3] Based on the total number of 1,124,184,170 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
[4] Including the impact of Pinnacle and Mercury acquisitions.

including Amazon, DHL, UPS, Cainiao and DSV. The WFS Group has invested significantly in developing its best-in-class operations for pharmaceuticals and perishables handling. Its facilities include 14 dedicated pharmaceuticals centres at key strategic hubs, which enable an integrated cargo solution and positions the business for future pharmaceutical growth. The facilities focus on safe processing and transport of temperature-controlled pharmaceuticals and medical devices. The teams are trained to maintain the highest care and expertise, including the IATA CEIV Training and training through the WFS Academy, which is recognised by IATA.

The WFS Group's and the SATS Group's respective leadership positions in major airport hubs across North America, EMEA and APAC will allow the combined business to enjoy leadership positions with enhanced connectivity across major trade routes, creating a pre-eminent global air cargo handling platform.

Figure 1: The WFS Group's and SATS Group's combined cargo handling market positions



Notes:

Peers station count and volume based on latest public information. SATS Group's metrics include proportionate cargo volumes from associates and joint ventures. SATS Group's volume as of LTM March 2022, WFS Group's volume as of the calendar year ended 31 December 2021, including the impact of Pinnacle and Mercury acquisitions. Airport volumes sourced from Albatross and based on total volume at each airport across all market players.

(1) John Menzies business

(2) Based on the SATS Group's management's estimates

(3) Represents Brussels and Liege. WFS is #1 in both stations

The WFS Group distinguishes itself as one of the leading cargo handlers through its extensive on-airport warehouse access within limited airport space capacity, efficient handling as a result of its investments in operational excellence and technology, and long-standing relationships with customers via its global network and premium service.

The WFS Group has a broad and diversified portfolio of airline customers, with relationship tenures from five years to over 35 years, including Air France-KLM, American Airlines, Atlas Airlines, Qatar Airways, Air China, China Airlines, Emirates, Lufthansa, IAG, Eva Air, Allegiant Airlines, Frontier Airlines and Etihad Airways, among others, in addition to Amazon and other freight carriers[5]. The WFS Group also provides handling services to freight forwarders. The WFS Group has a diversified customer base with its top five customers representing approximately 24% of its revenue for the year-to-date ended 30 September 2021[6].

The WFS Group's customer contracts have an average term of three years and retention rate has been above 90%, which provide the business with a strong recurring revenue stream and high earnings visibility. The WFS Group has benefited from its ability to renew most of these contracts as they mature by building up tenured relationships with these customers of between five years and over 35 years. A majority of the WFS Group's commercial contracts with airlines also include indexation, which reduces its exposure to the effects of input cost inflation.

Figure 2: Snapshot of WFS Group's customer base

Note: Operating statistics as of year-to-date ended 30 September 2021

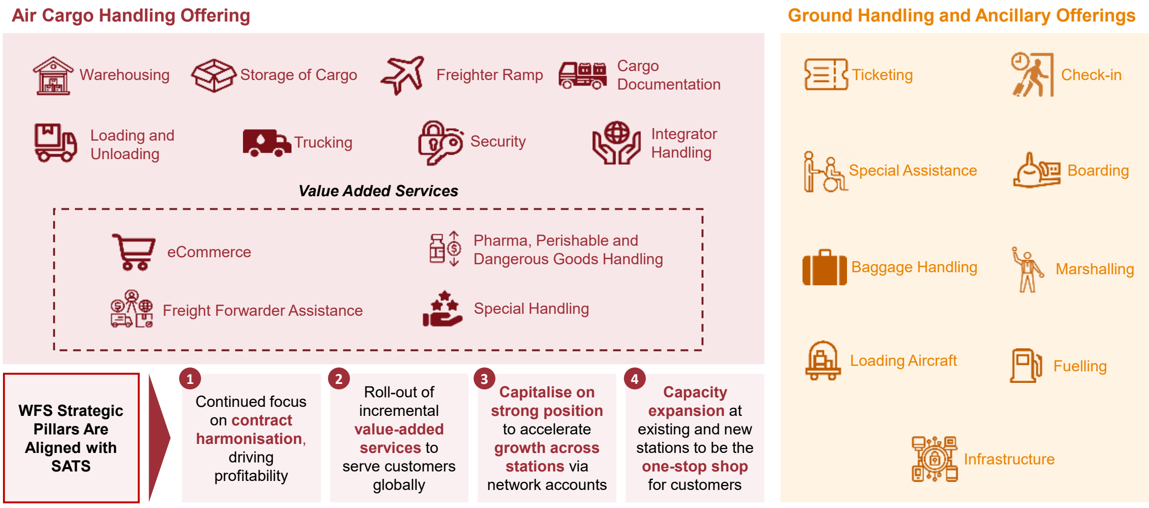
The WFS Group has successfully expanded its business with key customers across its station network, with double digit growth in station count from 2015 to 2021 observed across most of its top 20 customers. Such examples include Air France-KLM, which was present at 25 stations as of 2021, representing an increase of 47% compared to 2015, and Etihad Airways, which was present at 35 stations as of 2021, representing an increase of 52% compared to 2015.

Cargo handling, which is the WFS Group's principal service, includes the receipt, handling, loading, unloading, warehousing and storage of cargo, as well as document handling in Americas, Europe, Asia and Africa. Global freight tonnage is generally split evenly between passenger aircraft and freighters. Air cargo transport is typically used for goods that have high value, are time sensitive and/or have high environmental control requirements, such as pharmaceuticals, medical equipment and perishables. Air cargo transport has benefited significantly from the development of eCommerce as a primary method of commerce, enabling

[5] The WFS Group, along with its competitors, is exposed to the risk of further airline consolidation which may reduce both the number of customers and flights that the WFS Group handles, and therefore the WFS Group's recurring revenue stream may be dependent on its ability to retain its customers. The WFS Group's end-to-end services to a broad range of customers (including a diversified mix of commercial airlines, freighter airlines, integrators and eCommerce players), together with its global platform, operational best practices, and the delivery of the strategy of the combined group should continue to make the WFS Group and the SATS Group attractive partners for customers going forward.
[6] Based on the WFS Bonds Offering Memorandum and the presentation deck dated January 2022 issued in relation thereto.

products to be sold and delivered around the world, and from a trend towards more rapid and efficient product delivery resulting from consumer demand.

Figure 3: The WFS Group's key service offerings



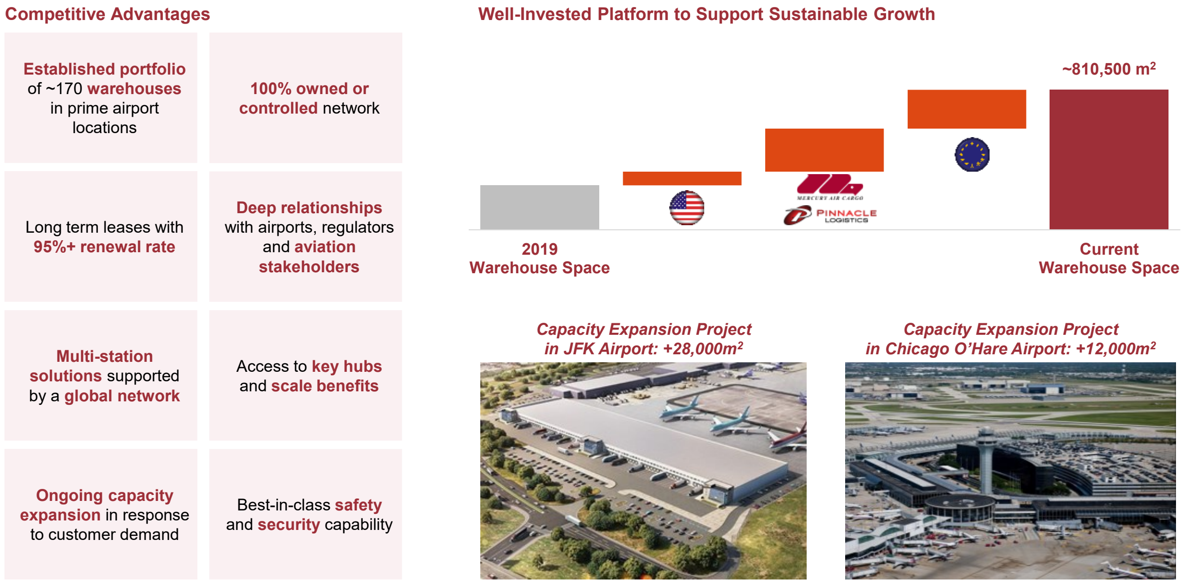
Cargo handling services are also critical to passenger airlines as they rely significantly on freight shipping to improve the profitability of their routes. Depending on the passenger volume and the seating mix, a flight may only become profitable once the aircraft's cargo capacity under the main deck (often referred to as the "belly cargo" compartment) has been sold to cargo shippers. The WFS Group is a key link in the cargo handling value chain for its airline customers, providing complete end-to-end services related to air cargo, including the loading and unloading of cargo from their aircraft and also storing and transporting the cargo. In Europe, the WFS Group's service offering is complemented by its dedicated trucking services, which provide integrated road transport of cargo to key international and domestic airports and allow customers to optimise their available belly capacity across the WFS Group's European network.

The WFS Group manages over 800,000 square metres[7] of cargo warehouse space (the majority of which is leased by the WFS Group) across a global footprint, with a presence in key strategic hubs, which is a key differentiating factor in cargo handling services. Cargo warehouses located at or adjacent to major airport hubs allow its customers to quickly and effectively optimise the cargo capacity of their flights. In particular, the size and location of the WFS Group's warehouse space at key airports underpin an important strategic asset base. The WFS Group has recruited dedicated real estate professionals to drive warehouse footprint growth, with a target to grow its warehouse capacity by 30% by the end of 2024. The strategic focus on cargo handling early on with key airline operators has enabled the WFS Group to establish long-term positions in strategic locations. Whilst the WFS Group's portfolio of leased cargo warehouse space is subject to extension or renewal in the normal course of business, the WFS Group has long-standing relationships with relevant stakeholders and a strong local presence which have, historically, enabled it to successfully manage the renewal of leases with a historical lease renewal rate of over 95%. Furthermore, to effectively operate at various stations in its global business, the WFS Group has been able to establish long-term leases,

[7] Inclusive of approximately 45,000 square metres and approximately 50,500 square metres of cargo warehouse space which were added with the acquisitions of Pinnacle and Mercury respectively.

with the average duration of its top 10 leases in EMEAA being 11 years and the average duration of its top 10 leases in North America being seven years.

Figure 4: The WFS Group's cargo warehouse overview



The WFS Group has a strong focus on continued operational excellence and investments in technology to deliver consistent and high-quality service with efficiency. Operational excellence teams have the following key objectives:

- increase customer loyalty through service level improvement;
- increase employee engagement through improved working conditions and safety; and
- increase shareholder satisfaction by creating long-term value.

The WFS Group has embedded this focus into daily business-as-usual ways of working, and in doing so it has instilled a culture of continuous improvement at the local station level. These initiatives can be segregated into three key categories:

- deploy data collection and management capability to provide a common suite of performance metrics and dashboards;
- optimise service level attainment and direct labour deployment through roster planning and scheduling; and
- deploy employee-driven continuous improvement across cargo for higher service performance, improved productivity and optimised capacity utilisation.

Between 2019 and 2021, these operating initiatives have improved service performance to customers through employee-led initiatives that have also improved cargo productivity by about 15% across EMEAA and North America.

There are two basic sources of revenue for cargo handling, which are driven based on the volume of cargo handled:

2.1.1 **Airline charge**: This charge is linked to multi-year contracts, where the fee is agreed upfront and paid by the airline on a per metric ton basis; and

2.1.2 **Terminal handling charge**: This charge is based on tariffs published by the cargo handler at a particular station and is typically revised annually. It is paid by the freight forwarder (customer of the airlines) on both per shipment basis and weight of shipment basis.

This volume-based fee structure provides the WFS Group with lower volatility in earnings compared to airlines and integrators which are influenced by freight rates that fluctuate with supply and demand of air cargo capacity and therefore experience more earnings volatility.

The WFS Group also provides additional services, such as screening, cargo storage and use of office space, which are charged at separate rates.

In addition to cargo handling, the WFS Group offers a full suite of services related to aircraft turnaround and aircraft management of passengers through an airport. The WFS Group's ground handling services principally include ramp services, passenger services, and baggage processing services as well as, in selected airports, security services and fuelling activities. Ancillary services include operation, maintenance and installation of airport and transport related infrastructure and equipment (technical activities), as well as premium and lounge services.

The WFS Group's ground handling contracts generally set fees per aircraft turnaround or per service performed, or, in some cases, such as interline baggage handling, at a fixed monthly rate.

The strength of the WFS Group's recurring revenue stream may be dependent on its ability to retain its customers. The WFS Group has a broad and diversified portfolio of airline customers, with relationship tenures from five years to over 35 years and with an average contract term of three years, although such contracts generally provide for termination with notice periods, as is customary in the industry. However, as noted in the WFS Bonds Offering Memorandum, the contract renewal rate achieved has been in excess of 90%. This is testament to the WFS Group's position as one of the leading cargo handlers with long-standing relationships with customers via its global network and premium service, and underscores the WFS Group's focus on the retention of key customer relationships and service excellence to develop its wallet share.

The WFS Group's international scope of operations subject it to a number of political, social and economic risks and challenges (including risks of political instability, war and civil disturbance) which are beyond its control. However, the WFS Group's broad and diverse range of customers and network established over the years, and the experience of the WFS Group's management team through multiple economic cycles and political environments, provides resilience and enables the WFS Group to identify and mitigate any such risks as early as possible.

2.2 **Financial Information.** Based on the unaudited financial information of the Target Group for LTM March 2022 prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, as provided by the WFS Group:

2.2.1 the book value of the Target Group is approximately €261 million (approximately equivalent to S$394 million)[8];

2.2.2 the net tangible assets attributable to the Target Group are approximately negative €829 million (approximately equivalent to negative S$1,250 million), owing largely to the Target Group's goodwill balance of €770 million (approximately equivalent to S$1,161 million) and intangible assets of €325 million (approximately equivalent to S$490 million) which comprises mainly customer relationships, trademarks, and intangible rights under concession contracts;

2.2.3 the EBITDA attributable to the Target Group is approximately €232 million[9] (approximately equivalent to S$350 million); and

2.2.4 the Target Group's net profit before income tax and non-controlling interests is approximately €66 million[10] (approximately equivalent to S$100 million).

2.3 **Overview of WFS Group Historical Financials**[11]

EUR (in million)	**2018[11]**	**2019[11]**	**2020[11]**	**2021[11]**	**LTM Mar 22[10]**
Revenue					
Cargo	920	936	843	1,121	1,244
Ground & Ancillary	396	490	238	276	326
Pro Forma Adjustments[12]				200	153
Revenue	**1,315**	**1,427**	**1,081**	**1,597**	**1,722**
Growth %		*8%*	*(24%)*	*48%*	
EBITDA[13]	**118**	**75**	**54**	**245**	**232**
Margin %	*9%*	*5%*	*5%*	*15%*	*13%*
CAPEX[14]	**39**	**45**	**14**	**36**	**41**
Cash Conversion[15]	**67%**	**40%**	**74%**	**82%**	**79%**

[8] Including minority interests of approximately negative €4.4 million (approximately equivalent to negative S$6.6 million).
[9] EBITDA of €202 million (based on the WFS Bondholder Reports) plus €30 million of *pro forma* EBITDA contribution from the Target Group's material acquisitions referred to at paragraph 11.2.7 of this Circular.
[10] Target Group's net profits before income tax and non-controlling interests for the 12 months ended 31 March 2022 have been computed based on net income/(loss) from ordinary activities of consolidated companies of Promontoria Holding 264 B.V. for the 12 months ended 31 December 2021 less three months ended 31 March 2021 plus three months ended 31 March 2022 of €45 million, adjusted for: (i) a premium loan liability in Promontoria 264 B.V. linked to previous refinancing costs that should have been cancelled post the latest refinancing in February 2022, resulting in a positive impact of €5 million; (ii) an accrual on unrealised foreign exchange gain relating to a loan, resulting in a negative impact of €11 million; (iii) €25 million of *pro forma* net profits before income tax and non-controlling interests contribution from the Target Group's material acquisitions referred to at paragraph 11.2.7 of this Circular; and (iv) extraordinary income of €2 million.
[11] Presented figures are based on the WFS Bondholder Reports for the 12 months ended 31 December, unless otherwise stated. The WFS Group financials are prepared in accordance with French GAAP, and have not been converted to SFRS(I).
[12] *Pro forma* for full-year impact from the acquisitions of Pinnacle and Mercury.
[13] 2021 and LTM March 2022 figures are *pro forma* for full-year impact from the Pinnacle and Mercury acquisitions; 2021 figures also include adjustments for full-year impact from R.A. Hand (acquired in July 2021), which are not material to EBITDA. EBITDA includes income from PSP provided under the CARES Act and subsequent legislation. Please refer to Appendix B to this Circular for a reconciliation of this figure to *pro forma* adjusted EBITDA disclosed in the WFS Bondholder Reports.
[14] CAPEX excludes adjustments for full-year impact from the Pinnacle and Mercury acquisitions.
[15] Calculated as (EBITDA – CAPEX)/EBITDA. EBITDA and CAPEX exclude adjustments for full-year impact from the Pinnacle and Mercury acquisitions.

2.3.1 **Cargo handling revenue**. Revenue has continued to demonstrate its resilience through the cycle – compared to 2019 levels, cargo has been driven in recent periods by structural growth in volume, eCommerce demand in North America and favourable pricing dynamics across all regions:

(i) cargo growth has been further bolstered by the WFS Group's successful business development efforts, with the addition of new business wins such as CMA CGM at Charles de Gaulle Airport, Air China at Liège Airport and Madrid-Barajas Airport, and Egyptair at Amsterdam Airport Schiphol in 2022;

(ii) on top of this organic foundation, the WFS Group has continued to build and strengthen its global network, with the addition of 47 stations over 2015-2021; and

(iii) as cargo handling is a volume-driven business that is not linked to freight rates and has high customer renewal rates (more than 90%), the business continues to benefit from the stability of its earnings profile and high revenue visibility.

2.3.2 **Ground handling and ancillary revenue**. Ground revenue was not immune from the sector-wide decline in activity due to COVID-19 in 2020, but has made steady progress in recovery as passenger travel activity resumes in its key markets:

(i) easing of air travel restrictions in France, Spain and Asia drove EMEAA organic revenue to more than double in Q1 2022; and

(ii) Americas organic revenue meanwhile increased 55% year-on-year in Q1 2022 due to an increase in activity in both North and South America.

2.3.3 **EBITDA**. Growth and margins continue to benefit from the effects of positive operating leverage with increases in cargo volumes and pick-up in ground handling activity:

(i) the WFS Group has continued its focus on structural productivity improvements in the past two years, leading to improved margins in 2021 and LTM March 2022, and which are also expected to provide recurring cost savings for the business;

(ii) while the business has seen impacts from labour inflation, a majority of the WFS Group's commercial contracts with airlines include indexation, which has provided a means to mitigate these effects;

(iii) in terms of historical margin sustainability, the 2019 EBITDA margin included €28.4 million of restructuring costs and €13.6 million of other non-recurring items following its acquisition by the Institutional Seller in October 2018[16]. If these one-off items were excluded, the 2019 EBITDA margin would have been 8%; and

[16] Restructuring costs and other non-recurring items are as provided in the Q4 2019 Bondholder Report.

(iv) EBITDA has also benefitted from the positive impact of the PSP provided under the CARES Act and subsequent legislation. Such impact at EBITDA level amounted to €67.0 million, €84.3 million, and €61.8 million for the 12 months ended 31 December 2020, 31 December 2021, and 31 March 2022, respectively.

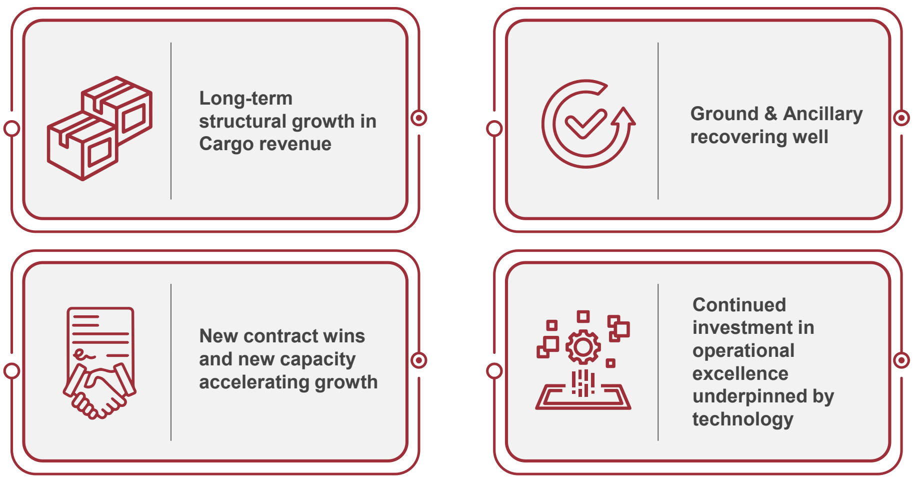
2.3.4 **Cash flow**. Despite the effects of COVID-19, the business has maintained steady cash flow generation driven by the resiliency of its cargo business and asset-light business model, as demonstrated by its strong cash conversion levels.

2.4 WFS Performance Update for 9M 2022

The financial information in this section is extracted from the WFS Bondholder Reports and the WFS Bondholder Report Presentations. The WFS Group financials are prepared in accordance with French GAAP and have not been converted to SFRS(I).

2.4.1 **Delivering Strategic Goals**. The WFS Group continues to experience structural growth in cargo revenue with recovery in ground handling.

Figure 5: WFS 9M 2022 highlights



2.4.2 **Key Q3 2022 and 9M 2022 Financials vs. 2021.**[17] The WFS Group reported continued growth momentum in revenue and earnings despite macroeconomic headwinds, driven by operational resilience in cargo and steady performance of the ground & ancillary business.

[17] Q3 2021 and 9M 2021 figures include *pro forma* for the Mercury and Pinnacle acquisitions.

EUR (in million)	*Pro Forma* Q3 2021	Q3 2022	Change (%)	*Pro Forma* 9M 2021	9M 2022	Change (%)
Revenue[18]						
EMEAA Cargo	133.1	153.1	15.0%	378.9	456.3	20.4%
EMEAA Ground & Ancillary	22.2	33.9	52.8%	46.2	88.4	91.3%
Americas Cargo	191.1	226.5	18.5%	515.8	650.0	26.0%
Americas Ground & Ancillary	65.3	97.7	49.8%	168.9	261.1	54.6%
Total	**411.6**	**511.3**	**24.2%**	**1,109.8**	**1,455.8**	**31.2%**
Cargo	324.2	379.6	17.1%	894.7	1,106.3	23.7%
Ground & Ancillary	87.5	131.6	50.5%	215.1	349.5	62.5%
Total	**411.6**	**511.3**	**24.2%**	**1,109.8**	**1,455.8**	**31.2%**

Key trends underlying the change in **revenue** include:

(i) **EMEAA Cargo**: revenue increase due to higher volumes, notably in the U.K. and Spain, supported by the ramping up of the new cargo facilities at Liège (Belgium) airport, and active pricing policy;

(ii) **EMEAA Ground & Ancillary**: revenue increase due to rebound in traffic and recovery of operations throughout Europe and Asia;

(iii) **Americas Cargo**: revenue increase driven by higher volumes in the Express business line and increased rates in the U.S.; and

(iv) **Americas Ground & Ancillary**: revenue increase driven by higher ground handling volumes in both North America and South America.

EUR (in million)	*Pro Forma* Q3 2021	Q3 2022	Change (%)	*Pro Forma* 9M 2021	9M 2022	Change (%)
Field Contribution[19]						
Cargo	69.4	70.7	1.9%	178.5	208.5	16.8%
Margin %	*21.4%*	*18.6%*		*20.0%*	*18.8%*	
Ground & Ancillary	2.6	12.6	n.m.	11.4	34.2	n.m.
Margin %	*3.0%*	*9.6%*		*5.3%*	*9.8%*	
Total	**72.0**	**83.4**	**15.7%**	**189.9**	**242.8**	**27.8%**
Margin %	*17.5%*	*16.3%*		*17.1%*	*16.7%*	

[18] Revenue is as presented in the WFS Bondholder Report for the nine months ended 30 September 2022 and WFS Bondholder Report Presentation for the 9M 2022 results, and does not include income from airport fees. In order to comply with French GAAP and for statutory accounting purposes, WFS Group booked airport fees incurred (and recharged to customers) in connection with its North American business as revenue and costs. Airport fees are offset between revenue and field expenses, and exclusion of airport fees from revenue has no effect on EBITDA or net income.

[19] Field Contribution is defined as contribution to adjusted EBITDA from gross margin (thus before sales, general and administrative expenses) excluding depreciation, amortisation and non-recurring items. Adjusted EBITDA is defined as EBITDA plus business tax, which is classified as income tax under IFRS, plus adjustments for non-recurring items (including restructuring, closing and severance costs, non-cash costs of pensions, transaction costs, and other exceptional items).

Key trends underlying the change in **field contribution** include:

(i) **Cargo**: year-on-year change in field contribution continues to be on a positive trajectory, with particular strength in EMEAA driven by favourable operational leverage, revenue mix and pricing. Relative softness in North America field contribution and margin compared to strong 2021 level notably due to some temporary pressure on labour costs in a more volatile cargo market impacted by lockdowns in China;

(ii) **Ground & Ancillary**: strong rebound in EMEAA and positive year-on-year change in Americas despite higher labour costs due to inflationary environment which weighed on the field contribution;

(iii) **Field contribution margin**: year-on-year slight decline in margin versus a strong comparable base year in 2021 was driven by relative softness in Americas Cargo mentioned above. However, operational excellence initiatives continue to be implemented by the WFS Group to drive structural productivity and performance improvement. The WFS Group is also enforcing price adjustments when indexation provisions allow for it – which is the case in a majority of its customer contracts, although such price adjustments may take some time to be effectively implemented;

(iv) **Operational optimisation initiatives**: operational optimisation initiatives have had positive impacts on field contribution, and the WFS Group is taking ongoing efficiency and productivity actions to contain labour costs and optimise its operating costs and the usage of its assets; and

(v) **Inflationary environment**: the surge of inflation in most economies is causing pressure on labour costs, which represent the majority of the WFS Group's cost structure, while energy costs in Europe experienced a significant rise following the onset of the Russia-Ukraine war.

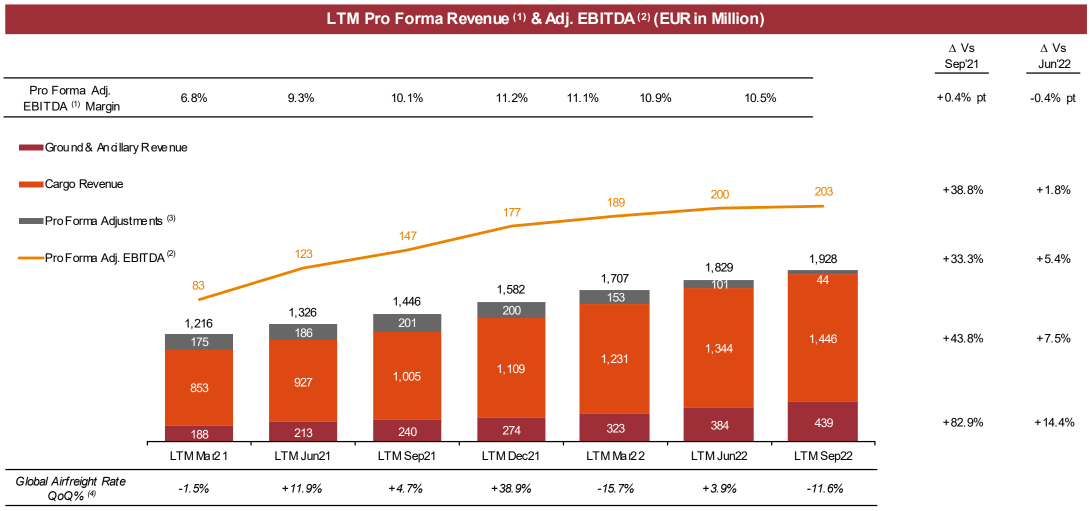
EUR (in million)	***Pro Forma* Q3 2021**	**Q3 2022**	**Change (%)**	***Pro Forma* 9M 2021**	**9M 2022**	**Change (%)**
***Pro Forma* Adjusted EBITDA**[20]	**43.9**	**47.8**	**8.9%**	**111.4**	**140.1**	**25.7%**
Margin %	*10.7%*	*9.3%*		*10.0%*	*9.6%*	

Key trends underlying the change in ***pro forma* adjusted EBITDA** include an increase in the *pro forma* adjusted EBITDA for 9M 2022, primarily driven by EMEAA.

[20] Defined as adjusted EBITDA on a full year basis for discontinued operations, and adjusted EBITDA contribution from acquisitions. Adjusted EBITDA is defined as EBITDA plus business tax, which is classified as income tax under IFRS, plus adjustments for non-recurring items (including restructuring, closing and severance costs, non-cash costs of pensions, transaction costs, and other exceptional items).

2.4.3 **Proven Business Resilience Despite Headwinds.** Steady organic performance demonstrated throughout the COVID-19 period and 9M 2022, with consistent execution of strategic priorities and financial discipline:

Figure 6: LTM pro forma revenue and adjusted EBITDA



Notes:

(1) Revenue is as presented in WFS Bondholder Reports and WFS Bondholder Report Presentations, and does not include income from airport fees. In order to comply with French GAAP and for statutory accounting purposes, the WFS Group booked airport fees incurred (and recharged to customers) in connection with its North American business as revenue and costs. Airport fees are offset between revenue and field expenses, and exclusion of airport fees from revenue has no effect on EBITDA or net income.

(2) Defined as adjusted EBITDA on a full year basis for continued operations, and adjusted EBITDA contribution from acquisitions. Adjusted EBITDA is defined as EBITDA plus business tax, which is classified as income tax under IFRS, plus adjustments for non-recurring items (including restructuring, closing and severance costs, non-cash costs of pensions, transaction costs, and other exceptional items). Figures ended 30 June and 30 September 2022 include impact of discontinued ground operations at Paris Charles de Gaulle Airport.

(3) Represents adjustment for full year impact of acquisitions and discontinued operations, which mostly relate to the acquisitions of Pinnacle in September 2021 and Mercury in December 2021. *Pro forma* adjustments become smaller in more recent periods as a larger portion of Pinnacle and Mercury results have been consolidated in the reported revenue.

(4) Represented by the change of the Baltic Airfreight Index, which reflects the transactional rates for general cargo as provided by freight forwarders.

Global air cargo activity continues to track at near pre-pandemic levels:

(i) North America was the best performing region with CTK above 2019 levels.

(ii) Asia is still below pre-COVID levels, with China's re-opening potentially a strong catalyst for recovery.

(iii) The WFS Group's performance is driven by a volume-based fee structure, which is not directly tied to freight rates (unlike airlines and integrators).

(iv) A significant portion of cost increases amid the recent uptick in inflation can be passed through to customers, due to the indexation clauses included in most customer contracts as well as the WFS Group's ability to increase tariffs outside of those contracts.

(v) Foreign exchange volatility risks in daily operations are mitigated by matching of local revenues and operating costs in each country the WFS Group operates in.

Notwithstanding the softening macroeconomic conditions, the WFS Group has established initiatives to increase throughput with focus on the retention of key customer relationships and service excellence to develop its wallet share.

2.4.4 Reconciliation of Reported EBITDA to *Pro Forma* Adjusted EBITDA (WFS Bondholder Reports)[21]

EUR (in million)	LTM Mar 22	LTM Sep 22
Reported EBITDA	**201.7**	**175.0**
Business tax expense (CVAE)[22]	1.4	1.5
Non-cash provision for pensions[23]	8.0	2.8
Transaction-related costs	0.1	0.0
Non-recurring charges		
Restructuring, closing and severance costs[24]	*7.4*	*9.0*
Other non-recurring items	*1.0*	*2.2*
PSP grant/CARES Act (income)	(61.8)	- -
Adjustments to EBITDA	**(44.1)**	**15.5**
Adjusted EBITDA	**157.6**	**190.5**
Add: acquisitions	*31.0*	*12.9*
Add: discontinued operations' loss	*0.7*	*0.0*
***Pro Forma* Adjusted EBITDA (WFS Bondholder Reports)**	**189.3**	**203.4**

2.4.5 Reconciliation of Reported EBITDA to EBITDA (Chapter 10 Announcement)

EUR (in million)	LTM Mar 22	LTM Sep 22
Reported EBITDA	**201.7**	**175.0**
Add: acquisitions	31.0	12.9
EBITDA (scope in Chapter 10 / Investor Presentation)	**232.7**[25]	**187.9**

For further information on the reconciliation, please refer to Appendix B to this Circular.

[21] Figures are extracted from WFS Bondholder Reports and WFS Bondholder Report Presentations.
[22] Business tax expense (CVAE) can be classified as income tax under IFRS. Under French GAAP, which is the standard used in WFS Bondholder Reports, it is classified as an operating expense, hence the recurring adjustment to EBITDA above.
[23] In France, retirement indemnities are only due in case of actual retirements and not when a person leaves for any other reason. Actual pay-outs are included in EBITDA as they occur. Pension costs also include non-cash actuarial provisions. The WFS Group consistently adjusts EBITDA for the non-cash portion of pension expenses.
[24] Non-recurring restructuring costs, such as discontinued activities, acquisitions integration and human resources related costs.
[25] Slight difference to €232M as disclosed in Chapter 10 announcement as figure here is calculated based on rounded figures from the WFS Bondholder Reports.

2.5 Management Team

The SATS Group believes that it is important for the existing WFS Group management team to continue with the business post-Closing in order to provide continuity to drive integration and execute growth plans to preserve and enhance the value proposition of the Proposed Acquisition.

The WFS Group's management team comprises industry veterans with decades of experience in the sector, having worked in established companies within the aviation services and transportation industry such as John Menzies, Swissport, American Airlines, British Airways and Qatar Airways. Key management personnel of the WFS Group, including its chief executive officer and chief financial officer, have indicated their intention to continue working with the WFS Group post-Closing, and appropriate retention plans will be mutually agreed between the SATS Group and key management to support their retention. The success of the WFS Group within the wider SATS Group following Closing depends, to a certain degree, upon the continued service and skills of its existing management team and its regional senior managers, who play an important role in developing and maintaining the WFS Group's customer relationships around the world. As with any other comparable businesses, if the WFS Group is unable to hire sufficient qualified employees to meet its requirements or to retain existing employees, or if it faces a significant increase in personnel turnover or the departure of members of its senior management team that it is unable to replace in a timely manner, the performance of the combined group following Closing may be adversely affected. In addition to appropriate retention and succession plans being in place and continuing to be developed jointly, there will be continued sharing of best practices to retain talent.

Notwithstanding the above, the commitment of the existing WFS management team provides business continuity and enhances retention of the WFS Group's existing customers. With minimal operational overlap and sharing similar business values of delivering customer-centric solutions and service excellence, the management teams of the SATS Group and the WFS Group will be able to focus on planning a smooth integration and developing an overall business strategy to harness the revenue synergies identified from the Proposed Acquisition, which are further discussed in paragraph 4.5 of this Circular.

Post-Closing, the WFS Group will become a key subsidiary group of the SATS Group. The SATS Group's and WFS Group's CEOs, Kerry Mok and Craig Smyth respectively, will continue to lead the day-to-day operations of each company respectively for the first year, with Craig Smyth reporting to Kerry Mok. The SATS Group does not expect any material changes to the overall governance of the Company and the WFS Group following Closing.

2.6 Integration

Given the scale and transformational nature of the Proposed Acquisition, the SATS Group recognises the importance of successful integration to capture the material benefits of the financial and operational synergies on a timely basis.

The Proposed Acquisition remains subject to customary regulatory approvals.

Additionally, certain change of control consents and waivers will need to be obtained in connection with the Proposed Acquisition[26], and certain leases in respect of some material stations are also due for renewal in the normal course of the WFS Group's business. The WFS Group is in the process of obtaining such relevant consents, waivers and renewals. Should any of these leases not be renewed in the normal course of business or consents or waivers not be received prior to Closing, the business and operations of the WFS Group may be adversely impacted and, accordingly, the SATS Group and the WFS Group will take steps to relocate to other suitable alternatives to ensure business continuity and minimise business disruption following Closing. Completion of the Proposed Acquisition is not conditional on obtaining any of the aforementioned consents, waivers or renewals.

The SATS Group's management is taking a deliberate approach to integration planning, in full compliance with the prevailing legal and regulatory requirements and limitations, pending receipt of all regulatory approvals. Key to the integration planning effort is the integration committee, spearheaded by senior management from both organisations.

To date, we have identified the following key areas of integration which will be initiated immediately upon Closing. These include, but are not limited to:

Human resources culture and talent retention schemes

In order to successfully realise the benefits of the Proposed Acquisition, it is imperative to foster the appropriate corporate culture within the diverse communities and workforce in the countries which the combined group will operate in.

There has been mutual understanding of both the SATS Group's and the WFS Group's achievements and strengths, as well as constructive dialogue on how both the SATS Group and the WFS Group can learn and deliver best practices as the organisations come together. Concrete plans are underway to synthesise integration planning through the sharing of mutual best practices to unlock operational excellence opportunities through this Proposed Acquisition.

Notwithstanding the inflationary labour cost pressures, the combined group will also seek to be competitive in its overall talent management programme to retain and develop its employees. The SATS Group remains committed to offering employee upskilling programmes beyond basic training and supporting living wage standards across key regions. Key members of the WFS Group's management team have indicated their intention to continue working with the business post-Closing to provide continuity and drive the next phase of growth. The integration committee will continue to evaluate and adopt long-term succession and retention plans for key management staff.

IT, digital, data alignment and cyber defence between systems

The operations of both the SATS Group and the WFS Group are heavily and increasingly dependent on technology to operate the businesses. Both the SATS Group and WFS Group are committed to ensuring that their respective controls, protocols and disaster recovery procedures are sufficiently robust to prevent and manage any disruptions and interruptions and, as a combined group, there will be a sharing of best practices.

[26] The stakeholders which have been approached by the WFS Group to seek the requisite change of control consents and/or waivers include the landlord(s) of certain material leases, the counterparties to certain material commercial contracts and the authorities which granted certain material permits/licenses to the WFS Group.

Financial reporting to meet SGX-ST requirements

The financial information of the Target Group is prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies. The financial statements of the SATS Group are prepared in accordance with SFRS(I). The adoption of SFRS(I) to the financial information of the Target Group, including but not limited to SFRS(I) 16 (Leases), to prepare the consolidated financial statements of the SATS Group and the Target Group following Closing may result in substantial differences in the results of operations, cash flows and the financial position of the combined group. Please refer to paragraph 11 of this Circular for the combined *pro forma* financial effects of the Proposed Acquisition on the SATS Group.

Financial risk management

Post-Closing, the book value of the SATS Group's financial assets and liabilities may be affected by fluctuations in the exchange rate of the countries in which it operates vis-à-vis its reporting currency. For example, some of the currency exposures include the fluctuation between the Singapore Dollar and the U.S. Dollar as well as the Singapore Dollar and the Euro. The WFS Group's borrowings are mainly denominated in U.S. Dollars and Euros but the SATS Group's balance sheet is accounted for and recognised in Singapore Dollars. To deal with these foreign exchange exposures, the SATS Group will implement an appropriate hedging policy and strategy for the combined business, and perform regular reviews to manage such exposure, taking into consideration the extent of natural hedging of the revenue and operating costs of its businesses that have a functional currency other than the Singapore Dollar.

Both the WFS Group and SATS Group are exposed to tax risks and structure each of their organisations and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which they operate, many of which are generally very complex and subject to change. For example, the adoption by the Council of the EU of an EU list of non-cooperative jurisdiction for tax purposes and the application of this list in the jurisdictions where the WFS Group operates will have to be managed by the SATS Group as well as the impending global minimum tax rules scheduled to take effect in either 2023 or 2024. The combined group will continue to manage its tax risks through appropriate governance protocols, dedicated in-house support and experienced advisers globally.

Post-Closing, the financial indebtedness and aggregate leverage of the SATS Group are expected to increase, primarily driven by the Term Loan procured as part of the funding plan for the Proposed Acquisition, the WFS Group's Senior Secured Notes and the adoption of SFRS(I). The SATS Group will review its existing financing arrangements, including the WFS Group's Senior Secured Notes, and will evaluate all options with respect to existing WFS Group debt which may include, *inter alia*, refinancing with the WFS Group's existing and/or new lenders or through the debt capital markets as well as deleveraging through cashflows generated by the combined business. Please refer to paragraphs 11.4.4 and 11.4.5 of this Circular for further information on financial indebtedness and aggregate leverage.

Compliance risk management

The businesses of both the SATS Group and the WFS Group are subject to various anti-corruption laws, trade control regulations and economic sanctions laws in the countries and territories where they operate. The management teams of both the groups recognise that the financial and reputational costs and penalties associated with non-compliance with such laws and regulations could have an adverse effect on financial performance and operations. Both groups are committed to ensuring that their respective compliance programmes and processes are robust and are equipped to prevent and detect violations of any such laws and regulations. Following Closing, the combined group will share best practices including implementing any additional governance protocols and processes across the combined group to ensure that potential risks of non-compliance with such laws are mitigated.

Branding, communication and government affairs

Both the SATS Group and the WFS Group have forged strong reputations and established their respective brands in the existing markets in which the businesses operate. This is underpinned by their performance as well as exceptional service and driven by the long-term relationships with existing customers, airports, regulators and other stakeholders. It is crucial that the combined group will leverage on these strengths to preserve and build on the value proposition of the Proposed Acquisition. Integration planning efforts are ongoing to discuss the maximisation of business opportunities to be pursued after Closing with existing and new customers of both companies, which may include cross-selling opportunities and building a stronger value proposition for customers across an unparalleled Asia-U.S.-Europe network.

In addition, labour laws applicable to the WFS Group's business in certain countries are relatively rigorous, providing for strong protection of employees' interests. Employees at certain airports are members of unions or, based on applicable regulations, represented by works councils or other bodies. The WFS Group has a number of collective bargaining agreements in place with various unions. The WFS Group has experienced local human resources teams that engage with employees and the relevant unions on a proactive basis. The WFS Group management also has had good employee relations and a track record of proper engagement with its workforce.

The WFS Group holds long-standing interests in certain joint ventures, in particular in Thailand and Germany. The WFS Group does not have full control over these entities, but the WFS Group has had good relationships with its joint venture partners and has leveraged its global network and capabilities to operate the joint ventures. Following Closing, the SATS Group and the WFS Group will continue focusing on the operation of the joint ventures and look to further enhance existing relationships with the joint venture partners.

A key pillar of the SATS Group's confidence in the integration process is the committed and dedicated approach being taken by the management teams of both groups to integration planning. Given that the WFS Group and the SATS Group have minimal geographical overlap, and subject to the receipt of all regulatory approvals, the integration process can be streamlined and, after Closing, the WFS Group will be a subsidiary of the SATS Group with the WFS Group's management team staying in place to drive the next phase of growth and to provide continuity and support. In addition to the ongoing focus at Closing on business continuity and stability of service delivery for all customers, the SATS Group has also engaged experienced international consultants to advise on this process in order to optimise the benefits which may be gleaned from business synergies and operational excellence.

3. BACKGROUND OF THE PROPOSED ACQUISITION

The COVID-19 pandemic highlighted the importance of supply chain resiliency and having an interconnected global network of cargo handling capabilities providing speed, traceability and certainty to customers. At the same time, the business environment has become more intense as peers expand their operations into Asia.

Taking such factors into account and coupled with the fact that there is minimal geographical overlap between the SATS Group and the WFS Group, the Company concluded that the WFS Group is the asset of scale and reach which could provide the SATS Group with business diversification and earnings resilience.

Hence, the Company believes the Proposed Acquisition has compelling strategic merit by creating one of the leading cargo handling companies with a global network coverage and enhanced value-added capabilities. It is also in line with the Company's stated twin-engine growth strategy as presented during its Capital Markets Day in November 2021 which is further discussed in paragraph 4 of this Circular.

4. STRATEGIC RATIONALE

Overview of the Strategic Rationale of the Proposed Acquisition

The Proposed Acquisition is in line with the SATS Group's overall strategy of building global cargo handling capabilities and developing business resiliency.

During the Company's Capital Markets Day in November 2021, the SATS Group's management team presented the Company's twin-engine growth strategy of:

- securing market leadership in Singapore and establishing innovation and sustainability excellence for the network; and
- growing the overseas business by, among others, increasing cargo connectivity, expanding cargo handling capabilities to include eCommerce and cold chain while accelerating food production in key Asian markets.

The addition of the WFS Group will accelerate the SATS Group's objectives by globalising the cargo business, transforming the Company from an Asia-focused operator to a global leader in air cargo handling services with a worldwide network of cargo handling stations capable of managing standard cargo as well as express, perishables and pharmaceutical goods.

With disruptions in supply chain and re-invention of cost structures caused by COVID-19 and encroaching competition in Asia from peers, there is increasing impetus for the SATS Group to build resiliency into its business model. In creating one of the leading global air cargo handlers with scale and point-to-point handling capabilities, the Proposed Acquisition will position the SATS Group at the centre of global trade flows for air cargo which has historically proven to be robust. The diversification provided by a wider geographical coverage and additional value-added cargo handling services is expected to strengthen the SATS Group's business and earnings resilience against structural industry dynamics and competitive forces.

At the same time, the SATS Group will continue to execute its food solutions strategy, which includes strengthening the value chain presence, expanding geographical footprint, providing differentiated product offerings to appeal to wider consumer segments and leveraging innovations.

The combined group will enhance revenue growth through value-added services and position SATS as an enabler of multi-modal cargo connectivity because of:

(i) the WFS Group's investments in airside locations, which enable the SATS Group to provide value-added services such as breakbulk, sortation and distribution, all of which enhance turnaround time for customers (especially for eCommerce);

(ii) end-to-end visibility for customers, which will enable the SATS Group to develop value-added services and new revenue streams; and

(iii) opportunities to work with partners to facilitate multi-modal connectivity across air, sea and land.

Further details of the Proposed Acquisition's strategic rationale are as follows:

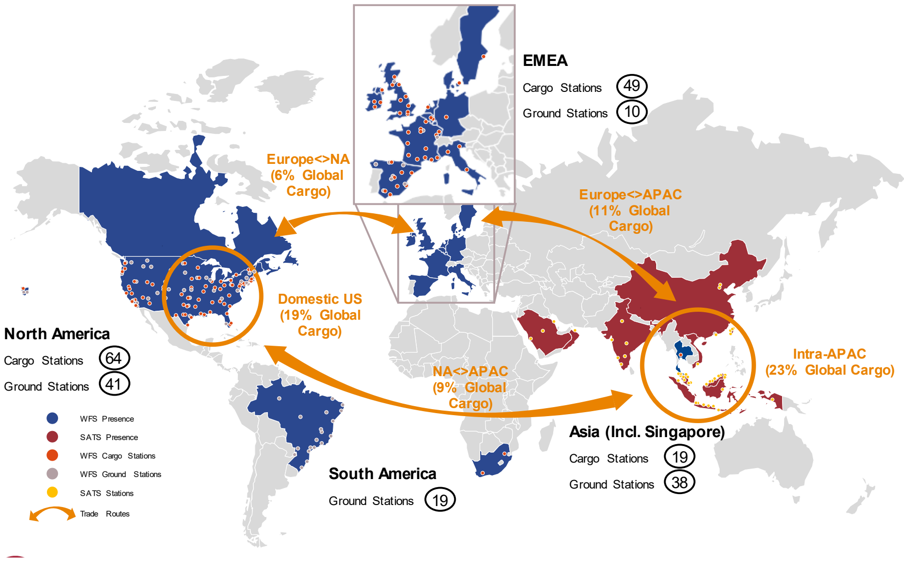
4.1 A pre-eminent global air cargo handling platform

The Proposed Acquisition will position the SATS Group as one of the leading air cargo handlers globally, managing close to 10 million metric tons of cargo[27]. Through the WFS Group, the SATS Group will acquire the WFS Group's leading positions in strategic hubs connecting key trade lanes across North America and Europe to complement its foothold in APAC, making the WFS Group a unique one-of-a-kind asset that fits in with the SATS Group's existing geographical coverage. The SATS Group's competitive landscape has seen increasing pressure in recent times from peers expanding their operations into Asia. The Proposed Acquisition represents an opportunity for the SATS Group to secure its relevance for the future in the face of ever-toughening competition, and become one of the leading global air cargo handlers with an enlarged footprint and ability to service customers on a global scale.

With complementary networks and minimal geographical overlap, the combined group will offer an Americas-Europe-Asia Pacific network with a global footprint of 201 cargo and ground stations in 23 countries while securing foundational positions in new growth markets of Latin America and Africa. This will enable the SATS Group to be the provider of key services to customers, on a worldwide basis, providing end-to-end solutions at consistent service levels.

[27] Based on the SATS Group cargo tonnage for 12 months ended 31 March 2022 of 2.8 million (inclusive of proportionate volumes from associates and joint ventures), and the WFS Group cargo tonnage for the year ended 31 December 2021 of 7.1 million (including the impact of Pinnacle and Mercury acquisitions).

Figure 7: Key trade routes and network coverage of the SATS Group and the WFS Group

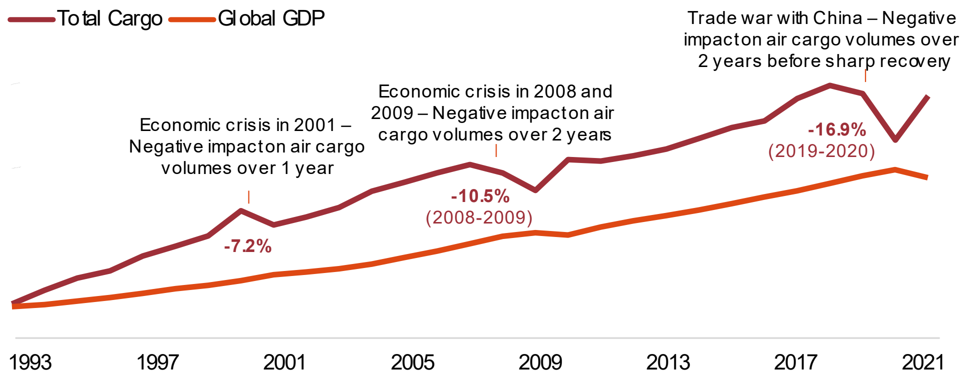


The SATS Group will gain access to new air cargo transit channels such as the domestic United States and North America-Europe routes, which make up 19% and 6% of the total global air volume respectively. Together, the combined business will have a network covering trade routes responsible for more than 50% of the global air cargo volume.

4.2 Increased exposure to the highly attractive and resilient global air cargo handling market

The Proposed Acquisition will accelerate the SATS Group's growth in the cargo handling market, which has proven resilient across cycles and is enjoying structural growth tailwinds. Driven by sustained eCommerce growth and demand for high-value cargo handling capabilities, air cargo volumes have outperformed GDP growth.

Figure 8: World cargo volumes outperform GDP growth[28]



10-year Annual Cargo Volume Growth

2012	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*	*2021*
2.1%	*2.6%*	*4.1%*	*4.0%*	*2.3%*	*7.8%*	*4.2%*	*(2.5%)*	*(14.7%)*	*16.4%*

By leveraging the WFS Group's capabilities in express cargo handling and high value-added handling services such as pharmaceuticals and perishables, the combined business will be able to capture value from a sustained growth in eCommerce – with projected global growth of 10% per annum, including projected growth of 25% in Southeast Asia[29] – and increased demand for specialised, bespoke handling services.

The combined business' proposition of global coverage with end-to-end cargo handling expertise under a single group positions the SATS Group to take advantage of the current structural growth trend where major eCommerce players are increasingly partnering with cargo handlers, and customers are expecting service providers to offer a multi-modal and global solution to manage their complex supply chains and provide frictionless connectivity.

4.3 Reinforcing earnings resilience and diversification through geographic expansion and increased exposure to the air cargo segment

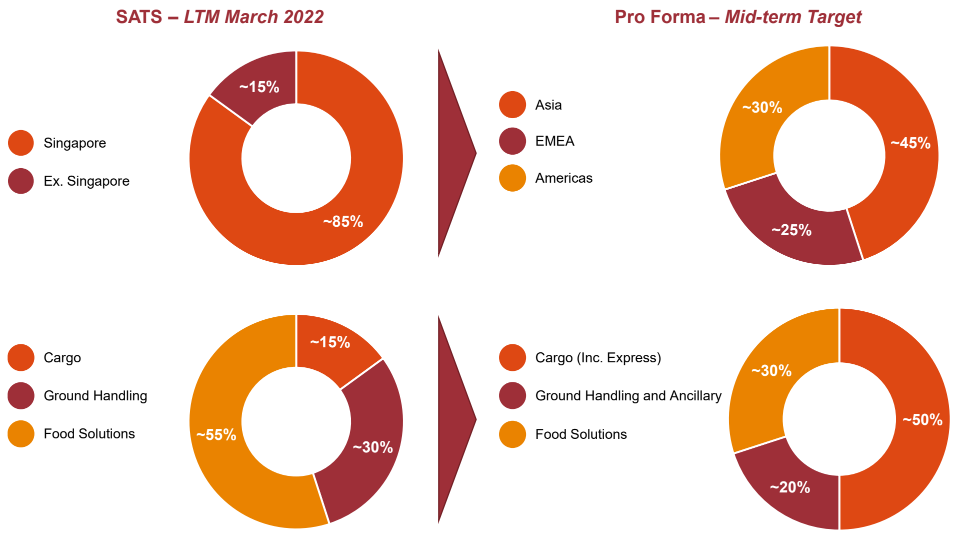
With the Proposed Acquisition, we expect the SATS Group's *pro forma* revenue contribution to be spread across all regions globally with Asia, EMEA, and North America each contributing a significant portion of the FY25 targeted combined *pro forma* revenue[30]. This will transform the SATS Group from a Singapore and Asia-centric operator to a global aviation services leader.

The Proposed Acquisition will also diversify the SATS Group's business portfolio with the resilient cargo segment expected to represent approximately half of the FY25 targeted combined *pro forma* revenue, while maintaining the SATS Group's exposure to the attractive food solutions segment (aviation and non-aviation). Food solutions, ground handling and ancillary services will represent the remaining half of the FY25 targeted combined *pro forma* revenue.

[28] Source: Albatross.
[29] For the period of 2020 to 2025. Source: eMarketer.
[30] Based on combined financial figures presented illustratively as the SATS Group plus the WFS Group in FY25.

We expect to continue to maintain a leading position at the SATS Group's home base in Singapore, which remains critical for the SATS Group's future.

Figure 9: Current revenue and FY25 targeted combined pro forma revenue contribution by geography and business segment



Both geographic and business diversification will enhance the SATS Group's resilience against future economic cycles and disruptions, with greater earnings robustness supported by a global and diversified customer base and underpinned by an asset-light business model with sustainable cash flow generation.

4.4 Combined insights and capabilities to drive change and innovation across a larger network

The SATS Group will leverage the combined group's collective best practices and know-how and increase our investments in technology and automation across a larger global network.

The SATS Group intends to rollout advanced technology across the combined group's platform, and coupled with continuous digital transformation and automation, aims to improve operational efficiency and digitalise standard operating procedures. Data analytics will be utilised to evaluate and optimise operating performance and assist with demand planning. New technology such as automated vehicles and Internet of Things for tracking pallet location and/or availability will be deployed, and existing data infrastructures will be migrated to the cloud.

Data governance and cybersecurity defences will be strengthened across the entire network in tandem with end-to-end visibility and traceability established globally. The SATS Group will pursue further technology innovation through partnerships with leading technology companies to co-design and develop innovative cargo handling and airport services across the newly created global platform.

4.5 Harnessing synergistic opportunities with an expected EBITDA run-rate in excess of S$100 million over the medium term

Revenue and cost synergies are expected and will enhance the SATS Group's growth trajectory over the medium and long-term. The combined group is expected to capture meaningful run-rate EBITDA synergies in excess of S$100 million through specific initiatives including:

4.5.1 **Cross-selling (expected near-term)**: A combination of the WFS Group and the SATS Group presents an opportunity to identify gaps in customer coverage across the combined business (e.g. customers served by the WFS Group in the U.S. and Europe but not by the SATS Group in Asia). Immediately following Closing, the SATS Group will launch a dedicated sales team for cross-selling and assign account managers to top customers globally, while maintaining our relevance and effectiveness at local and regional levels.

4.5.2 **Network expansion (expected near to medium-term)**: The complementary presence of the SATS Group and the WFS Group will create an Americas-Europe-Asia Pacific network with a global footprint of 201 cargo and ground stations in 23 countries while positioning the business for continued growth opportunities in both existing and new markets, such as India, Latin America and Africa. Together, the combined business will be positioned to continue the growth of the collective network through both greenfield and joint venture opportunities, with a value proposition including positioning as a top cargo handler with a global network, deep relationships with global airlines and trusted partnerships with eCommerce companies. This potential is supported by the WFS Group's track record of adding an average of eight new stations per annum in the period from 2015 to 2021.

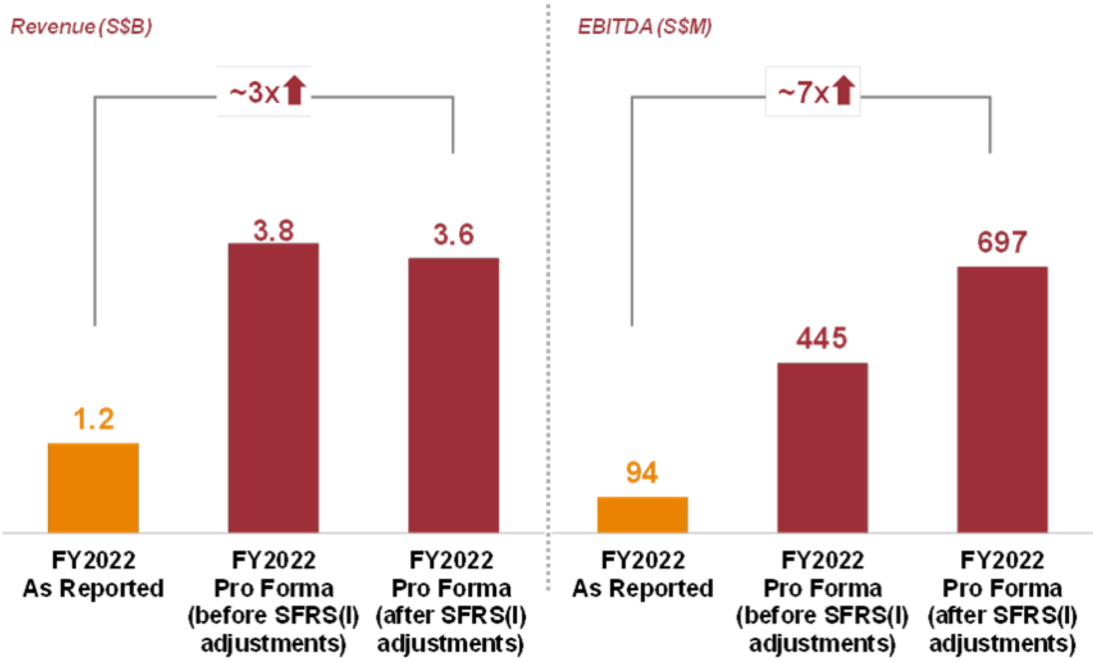
4.5.3 **eCommerce cargo partnerships across the globe (expected near to medium-term)**: The WFS Group has a strong eCommerce / express cargo handling service in the U.S. and Europe, capable of handling time-sensitive and high-volume customer requests. The WFS Group's track-record is validated through the success of its multi-year partnership with its marquee customer, Amazon. This service is readily portable to the combined SATS Group and WFS Group network, which covers key international eCommerce trade routes into and out of Asia. The operational expertise and network coverage will be key value propositions to eCommerce players who demand more competitive rates, faster turnaround time, full visibility and global network coverage in both tier 1 and tier 2 locations. There is significant potential to extend this service to a wider customer pool especially in APAC, where eCommerce players are underserved amid rapidly growing demand.

4.5.4 **Accelerate cargo automation (expected medium-term)**: The SATS Group has a track record of operating and improving highly automated cargo operations in its stations in Asia that are high-volume and space constrained. The Proposed Acquisition allows for a larger combined capital base which enables increased investment and learning sharing between the SATS Group and the WFS Group. Several potential areas that can be further improved through automation have been identified in the SATS Group's due diligence on the WFS Group, which include initiatives such as warehouse automation, automated storage and retrieval, automated vehicles, scanners, smart gates, and live data tracking with QR codes. These initiatives are highly executable under an experienced operational excellence team at the WFS Group, who are already in the process of implementing several productivity improvement and automation initiatives, including demand forecasting, labour planning, digital warehousing, landside digitalisation and warehouse workflow monitoring.

4.5.5 **Reinforce downstream cargo logistics offering (expected medium-term)**: The WFS Group operates a trucking network in both Europe and the U.S., naturally complementing the WFS Group's existing cargo business. The WFS Group's trucking services are sold to airline customers and historically have been focused on transport between airports. As a combined group, this service can be further expanded across geographies and scaled up into a "last-mile" logistics service with delivery to freight forwarders / third-party logistics warehouses and customer warehouses. An expanded offering, together with potential value-added services for assistance to freight forwarders (including specialty logistics such as pharmaceuticals / critical maintenance), will improve control and visibility through a one-stop service for freight forwarders and customers from airport handling to final delivery. The expansion is achievable through both in-house fleets or partnerships with third parties, and the WFS Group has experience operating both business models. Foundations are already in place to build such a service. The WFS Group has trucking services between airports (road feeder service) in the U.K., France and Spain, a dedicated trucking team in the U.S., and direct partnerships with select freight forwarders.

4.6 Delivering a strong and positive financial impact to the SATS Group's investors

Figure 10: Current and pro forma FY22 revenue and EBITDA



Note: SATS Group's EBITDA includes share of results of associates/joint ventures; SATS Group EBITDA excludes one-off items

Step change in revenue and EBITDA with strong operating profitability

The Proposed Acquisition is expected to result in an increase in revenue from S$1.2 billion to S$3.8 billion[31] and S$3.6 billion[32] and an increase in EBITDA from S$94 million to S$445 million[33] and S$697 million[34] on a *pro forma* basis for the 12 months ended 31 March 2022. This is before the inclusion of potential run-rate EBITDA synergies in excess of S$100 million over the medium term.

5. INDUSTRY OVERVIEW

5.1 Cargo handling industry overview. Air cargo encompasses general, express and special freight that is transported by air and air mail. Despite air freight being costlier than sea freight, suppliers choose air freight for its clear advantages in speed and reliability, as well as its suitability for high-value items, item-critical delivery and/or items requiring special handling. Air cargo transport is typically used for goods that have high value, are time sensitive, and/or have high environmental control requirements such as pharmaceuticals, clothing, medical equipment and perishables. Air cargo transport has benefited significantly from the development of eCommerce as a primary method of commerce, enabling products to be sold and delivered around the world, and from a trend towards more rapid and efficient product delivery resulting from consumer demand.

Cargo handling services are also critical to passenger airlines as they rely significantly on freight shipping to improve the profitability of their routes. Depending on the passenger volume and the seating mix, a flight may only become profitable once the aircraft's cargo capacity under the main deck (often referred to as the "belly cargo" compartment) has been sold to cargo shippers.

---

[31] The combined *pro forma* figures are based on the unaudited financial information of the Target Group for the 12 months ended 31 March 2022, prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies.

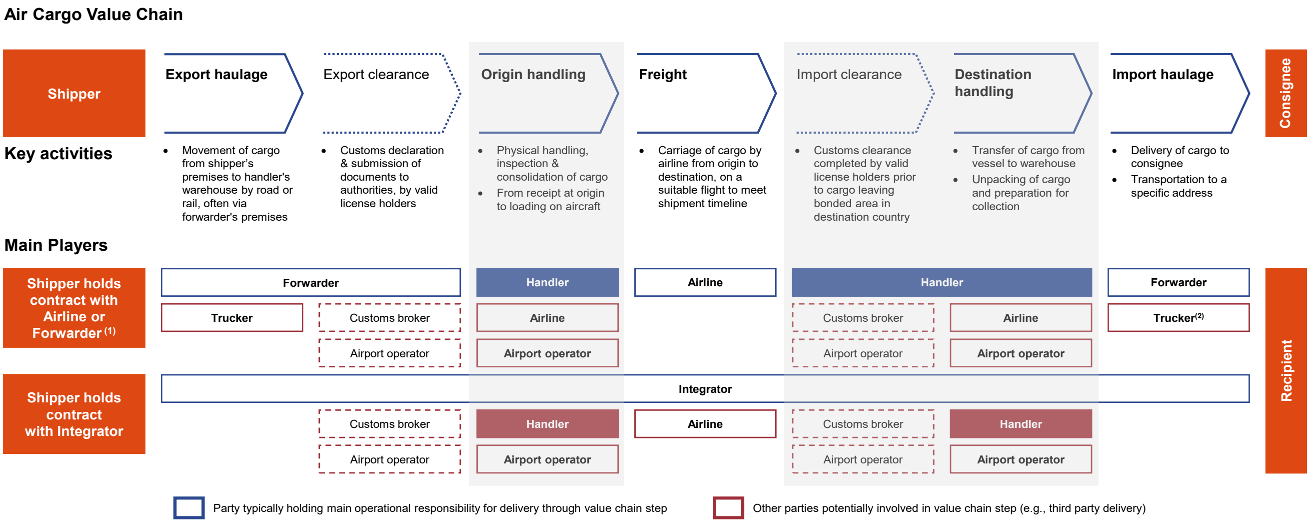
[32] The combined *pro forma* figures are based on the unaudited financial information of the Target Group for the 12 months ended 31 March 2022, prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch holding companies, and converted to SFRS(I), on which basis the audited consolidated financial statements of the SATS Group for FY22 have been prepared. See paragraph 11.1.2(ii) of this Circular for details of the adjustments made. The proportionate revenue of joint ventures amounting to S$0.2 billion is included in the revenue line under French GAAP. This is adjusted under SFRS(I) with net profit/loss contribution from joint ventures included in the share of results of associates/joint ventures.

[33] The combined *pro forma* figures are based on the unaudited financial information of the Target Group for the 12 months ended 31 March 2022, prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies.

[34] The combined *pro forma* figures are based on the unaudited financial information of the Target Group for the 12 months ended 31 March 2022, prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, and converted to SFRS(I), on which basis the audited consolidated financial statements of the SATS Group for FY22 have been prepared. See paragraph 11.1.2(ii) of this Circular for details of the adjustments made.

5.2 The air cargo value chain covers haulage and handling at origin and destination; cargo handlers such as the WFS Group are key intermediaries on both sides of air freight

Figure 11: Air cargo handling value chain



Notes:

(1) In a typical agreement, the forwarder organises export clearance and handling, and air freight (plus possibly import clearance and handling, and delivery to the consignee).

(2) The WFS Group has trucking capabilities in the U.S. and Europe. Trucking services are an extension of the WFS Group's handling network, naturally complementing the WFS Group's air cargo business. In the U.S., the WFS Group has a motor fleet of 75 tractors and 110 trailers. In Europe, the WFS Group has a fleet of approximately 72 trucks in the U.K. and an outsourced network of trucking capabilities in France, Spain and Italy.

The cargo handling market is served by airlines (internally), airports and independent companies, with a majority of cargo handling services performed by the independent players such as the WFS Group.

5.3 Airlines perform cargo handling in-house or outsource to independent cargo handlers such as the WFS Group; integrators in their key global hubs mostly self-handle, but often rely on third parties like the WFS Group elsewhere

Figure 12: Air cargo handling market participants

Share of Volume Handled (estimate)	**Description and Rationale**	**Major Players**
Airlines (non-integrator)	• Mainly operate cargo handling activities in own hub for themselves and possibly for other airlines • Increasingly outsourcing handling capabilities, which are considered to be non-strategic (little or no impact on customer experience, and low risk of employee/union resistance) • Retain some degree of oversight (e.g., supervision of independent handling operations by own managerial staff)	• Almost all legacy carriers • Select low-cost carriers
Integrators	• Typically operate own cargo handling activities in major global and regional hubs, where they fly to/from on a frequent basis • Tend to outsource cargo handling activities at smaller airports	FedEx Express, ups, DHL
Independent handlers and airports	• Offer cargo handling services in airports to airlines, freight forwarders and shippers • Market split between global players, regional providers and local operators with warehouses in as few as one or two airports • Includes airports that provide cargo handling services as part of wider airport operations portfolio, either in competition with independent handlers or in monopolistic situations where the (typically state-run) airport dictates	sats, WFS Worldwide Flight Services, swissport, Menzies Aviation, dnata, Aviapartner, PACTL, Hactl, AAT Asia Airfreight Terminal (1), Fraport (2)

High Low

Notes:

(1) The SATS Group increased its shareholding in AAT from 49% to a controlling stake of 65.4% in 2022.

(2) The WFS Group acquired a 51% ownership stake in Fraport Cargo Services in 2015.

Within independent handlers, the handling market is split between global players (offering wide service offerings and geographic footprint), regional and specialist players. The top four global players (WFS Group, Swissport, Menzies and Dnata) are present widely in Europe and the Americas, but much less so in Asia and Africa. Key purchasing factors for cargo handling services include: quality of service, price, safety, reliability, IT systems / technology and strength of network.

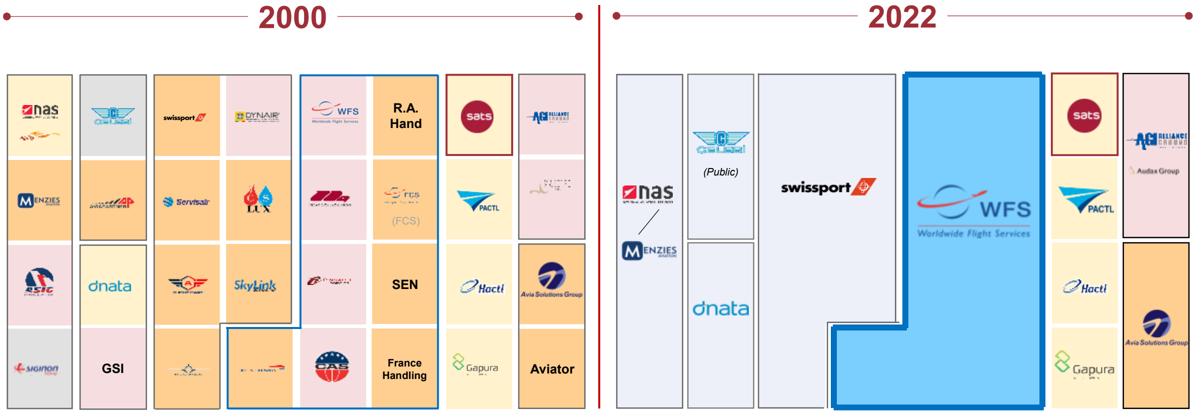
5.4 The independent cargo handling industry has undergone significant global consolidation over the last two decades

The independent cargo handling industry has undergone significant consolidation over the years. Notably, the recent buyout of John Menzies by the Agility Group underscores how established players look to scale up through acquisitions to compete globally. The WFS Group has also successfully been involved in industry consolidation and demonstrated a strong track record of integrating its acquisitions and garnering new contracts. This has been instrumental in establishing its presence at some of its key hubs and regions over time.

While the strategic partnerships and combinations have created a handful of meaningful participants in the aviation services and cargo handling sector in Europe and the Americas, the markets in Asia tend to be more fragmented.

The acquisition of the WFS Group allows the SATS Group, with its deep presence in Asia, to immediately secure a strategic competitive advantage to create a comprehensive cargo handling network that spans across the Americas, Europe and APAC.

Figure 13: Unique opportunity to acquire a cargo handling asset of scale



2000	2022
✓ WFS has successfully **led industry consolidation in cargo handling**	✓ Acquisition **propels SATS to global leader**
✓ Strong **track record of M&A integration** and new business wins	✓ Creates comprehensive **Americas-Europe-APAC** cargo handling network

North America · Europe · Asia · Rest of World · Multi-Region Presence

5.5 Structural trends are expected to support continued profitable growth for the industry

Figure 14: Air cargo handling market favourable long-term structural trends

Demand for high value cargo handling capabilities	Digitalization & automation on the rise	Sustained e-commerce growth	Evolving customer mix	Multi-modal and global solutions
✓ Increasing demand for specialised services such as pharma requiring bespoke solutions	✓ Continued productivity improvements through lower operating costs ✓ End-to-end visibility for customers' data	✓ Global e-commerce CAGR at 10%, including 25% in Southeast Asia(1)	✓ Cargo handlers partnering directly with e-commerce players and freight forwarders	✓ Cargo handlers are critical players in managing complex global supply chains and providing frictionless connectivity

Note: For the period from 2020 to 2025. Source: eMarketer, eConomy SEA

While there is some short-term pressure on air cargo volumes as supply chains normalise post-pandemic, the air cargo industry is expected to see continued profitable growth overall in the medium to long-term, supported by structural growth tailwinds globally. Despite air freight being costlier than sea freight, suppliers choose air freight for its clear advantages in speed and reliability, as well as its suitability for high-value items, items that require critical delivery and/or special handling**.**

While long-term structural trends for air cargo are favourable, there has been recent softening in air cargo demand. October 2022 CTKs were down by 13.6% year-on-year from 2021 according to IATA. Recent headwinds include inflation in advanced economies, weaker performance in global flows of goods and services, the ongoing war in Ukraine and the strength of the U.S. Dollar. While the October 2022 CTKs improved with a 3.5% month-on-month increase compared to September 2022, any sustained recovery in air cargo and certainty of reversion in line with long-term structural trends influencing cargo flows is dependent on multiple factors which are still evolving.

There are two basic sources of revenue for independent cargo handlers providing air cargo handling services, which are driven based on the volume of cargo handled:

5.5.1 **Airline charge**: This charge is linked to multi-year contracts, where the fee is agreed up front and paid by the airline on a per metric ton basis; and

5.5.2 **Terminal handling charge**: This charge is based on tariffs published by the cargo handler at a particular station and is typically revised annually. It is paid by the freight forwarder (customer of the airlines) on both a per shipment basis and a weight of shipment basis.

This volume-based fee structure provides the cargo handlers with lower volatility in earnings compared to airlines and integrators which are exposed to freight rates that vary with supply and demand of air cargo capacity and are therefore more volatile.

6. INFORMATION RELATING TO THE INSTITUTIONAL SELLER

The Institutional Seller is a cooperative with excluded liability (*coöperatie met uitsluiting van aansprakelijkheid*) incorporated under the laws of the Netherlands, having its official seat (*statutaire zetel*) in Baarn, the Netherlands, and its office at Oude Utrechtseweg 32, 3743 KN Baarn, the Netherlands. The Institutional Seller is an Affiliate of Cerberus Capital Management, L.P..

7. KEY TERMS OF THE PROPOSED ACQUISITION

7.1 **The Proposed Acquisition**. Subject to the terms and conditions of the SPA, the Sellers shall sell to SATS International, and SATS International shall acquire from the Sellers, the Sale Shares.

7.2 **Sale Shares**. The Sale Shares shall be sold with full title guarantee, free from encumbrances and together with all rights and advantages attaching to such Sale Shares as at completion of the sale and purchase of the Sale Shares in accordance with the SPA ("**Closing**") (including the right to receive all dividends or distributions declared, made or paid and interest declared, made, accrued or paid at any time on or after Closing).

7.3 **Consideration**. The consideration for the purchase of the Sale Shares under the SPA shall be an amount in cash equal to the sum of:

7.3.1 €1,187 million (approximately equivalent to S$1,639 million) (the "**Base Consideration**"); minus

7.3.2 an amount equal to the Disclosed Transaction Costs; plus

7.3.3 an amount equal to the aggregate amount of: (a) any Released Deposits; and (b) an amount calculated by applying the rate of 2.5 per cent. per annum on each such Released Deposit from (and including) the date on which such Released Deposit is refunded to the Target Group in cash to (and including) the date on which Closing takes place (the "**Closing Date**"), such amount to accrue daily based on 365 days per annum; minus (c) in respect of any Released Deposit for which a letter of credit is issued as the replacement, an amount equal to the cost of such replacement letter of credit which is in excess of the fees and/or cost of a letter of credit as contemplated in the €160 million revolving credit facility available to the Target Group; plus

7.3.4 an amount calculated by applying the rate of 2.5 per cent. per annum to the amount equal to the Adjusted Base Consideration (being the Base Consideration less the Disclosed Transaction Costs), over the period from (and excluding) 31 March 2022 to (and including) the Closing Date, such amount to accrue daily based on 365 days per annum,

(the "**Aggregate Consideration**").

Taking into account cash, indebtedness and working capital of the Target as at 31 March 2022, SATS will acquire the entire issued share capital of the Target for an enterprise value of €2,250 million (approximately equivalent to S$3,107 million).

7.4 **Maximum Aggregate Consideration**. As described in paragraph 7.3 of this Circular, the Aggregate Consideration is the sum of the Base Consideration and certain other variables (the amounts of which can only be ascertained on certain dates in the future). The maximum Aggregate Consideration payable to the Sellers is estimated to be €1,271 million (approximately equivalent to S$1,755 million) (the "**Maximum Aggregate Consideration**"), being the Aggregate Consideration calculated according to the formula in paragraph 7.3 of this Circular, assuming that:

7.4.1 there are no Disclosed Transaction Costs;

7.4.2 the maximum amount of Released Deposits, being €39 million (approximately equivalent to S$54 million), had been refunded to the Target Group in cash on 1 April 2022;

7.4.3 Closing takes place on the date falling six weeks after the Longstop Date (as defined below), implying an amount payable of €1 million (approximately equivalent to S$2 million) under paragraph 7.3.3(b) of this Circular and €44 million (approximately equivalent to S$60 million) under paragraph 7.3.4 of this Circular; and

7.4.4 there has been no leakage from the Target Group, as determined in accordance with the locked box mechanism in the SPA. Under the SPA, the parties have agreed that the locked box accounts for the Target Group as of the locked box date (being 31 March 2022) are the basis of the valuation of the Target Group. In addition, the SPA identifies a list of items which are regarded as "leakage" (since they result in value being transferred from the Target Group to the Sellers following the locked box date, such as any dividend declared, paid or made by any Target Group Company for the benefit of any Seller (or its affiliates or connected persons) during the period from (and excluding) 31 March 2022 to (and including) Closing). Any such leakage will be deducted from the Aggregate Consideration in accordance with the SPA.

On the basis of the above, a reconciliation of the Base Consideration and Maximum Aggregate Consideration is as follows:

	€ in million	**S$ in million**
Base Consideration	**€1,187**	**S$1,639**
Minus: Disclosed Transaction Costs	0	0
Plus: Released Deposits	39	54
Plus: Amount payable under paragraph 7.3.3(b) of this Circular	1	2
Plus: Amount payable under paragraph 7.3.4 of this Circular	44	60
Maximum Aggregate Consideration	**€1,271**	**S$1,755**

7.5 Basis of Consideration

7.5.1 The Aggregate Consideration was agreed after bilateral negotiations. The Aggregate Consideration was agreed after taking into consideration, among other things:

(i) the WFS Group's historical and projected financial position and performance;

(ii) the WFS Group's position as one of the leading global cargo handling companies and its growth prospects;

(iii) the extensive industry, commercial, financial, tax and legal due diligence undertaken to evaluate the WFS Group;

(iv) the strategy and rationale of the Proposed Acquisition, which is discussed further in paragraph 4 of this Circular; and

(v) the impact and risk of potential future macroeconomic challenges, including the Ukraine conflict, projected slower economic growth and higher inflationary outlook.

7.5.2 In comparing with precedent acquisition valuations, the Company has also taken into consideration that the WFS Group:

(i) is one of the leading air cargo handlers with a global footprint;

(ii) has high historical profitability and cash conversion cycle;

(iii) is exposed to the robust higher-margin cargo handling industry; and

(iv) has strong complementary and synergistic value when combined with the SATS Group.

7.5.3 Based on the negotiated enterprise value of €2,250 million (approximately equivalent to S$3,107 million), the Company is acquiring the Target Group at an implied LTM March 2022 EBITDA valuation multiple of 9.7x[35], compared with:

(i) the estimated overall average multiple of 11.6x of comparable transactions of meaningful scale involving target companies with operations in the air cargo handling sector, such as:

(a) the acquisition of Swissport by HNA Group Co Ltd. in 2015;

(b) the acquisition of Consolidated Aviation Services by WFS in 2016;

(c) the acquisition of WFS by the Institutional Seller in 2018; and

(d) the privatisation of John Menzies in 2022, and

(ii) overall 10-year average of EV to LTM EBITDA trading multiples of 13.7x of comparable asset-light logistics companies[36].

7.6 Existing Indebtedness of the Target Group

7.6.1 **Lender Pay-Off Amount**. The estimated Lender Pay-Off Amount (as defined below) is €69 million (approximately equivalent to S$95 million). On Closing, SATS International shall, on behalf of the relevant Target Group Company, pay or procure the payment of the amount required to discharge all amounts owed by any Target Group Company at Closing (including all amounts of principal, interest, fees, expenses, prepayment costs, gross-up payments and any break fees) in relation to certain banking facilities (collectively, the "**Relevant Facilities**") and to release all security in relation to the Relevant Facilities (inclusive of any prepayment costs), including, in each case, any associated withholding or deduction on account of tax (the "**Lender Pay-Off Amount**") to the providers of finance under the Relevant Facilities (or, in the case of any amounts withheld or deducted on account of tax, such amount(s) to the relevant tax authority) in accordance with the SPA. Not less than seven SPA Business Days prior to Closing, the Institutional Seller shall provide SATS International with a closing payments schedule setting out, among other things, the amount of the Lender Pay-Off Amount (together with currency, payee and account details and reasonable supporting evidence that such amount shall discharge all amounts owed by any Target Group Company at Closing under the Relevant Facilities).

The Relevant Facilities include:

(i) two loans for the financing of the Target Group's joint venture in Brazil. For the purposes of the combined *pro forma* financial effects as set out in paragraph 11 of this Circular, the balance of the Brazil loans is as of 31 March 2022;

[35] EBITDA includes *pro forma* full-year contribution from Mercury and Pinnacle acquisitions. The WFS Group financials have been prepared in accordance with French GAAP which does not incorporate adjustments under SFRS(I) 16 among other differences.

[36] Comparable asset-light logistics companies include C.H. Robinson Worldwide, DSV, Kuehne & Nagel, and Expeditors International. EV and LTM EBITDA data from FactSet. EV/EBITDA is calculated on a daily frequency for each of the comparable companies between 1 January 2012 and 30 September 2022, and an average multiple for this period is calculated for each company. Approximately 13.7x represents the average of the four average multiples.

(ii) a €160 million revolving credit facility made available to the Target Group. As at 30 June 2022, the Lender Pay-Off Amount in relation to this facility was €0. For the purposes of the combined *pro forma* financial effects set out in paragraph 11 of this Circular, this facility is assumed to be undrawn;

(iii) a €7.5 million overdraft facility made available to a subsidiary of the Target in France. As at 30 June 2022, the Lender Pay-Off Amount in relation to this facility was €0. For the purposes of the combined *pro forma* financial effects set out in paragraph 11 of this Circular, this facility is assumed to be undrawn;

(iv) promissory notes signed with the U.S. Treasury, received by a subsidiary of the Target in the U.S. as part of the PSP. These notes are for a tenure of 10 years, unsecured, and non-amortising. For the purposes of the combined *pro forma* financial effects set out in paragraph 11 of this Circular, the balance of these notes is as of 31 March 2022; and

(v) grants received, and expected to be received, under the Airport & Ground Operations Support Scheme from the U.K. Secretary of State for Transport. For the purposes of the combined *pro forma* financial effects set out in paragraph 11 of this Circular, it is assumed that the U.K. grants are not required to be repaid.

7.6.2 **Senior Secured Notes**. The Senior Secured Notes are not part of the Relevant Facilities, are not required to be refinanced at Closing under the terms of the SPA and are expected to remain outstanding following Closing.

7.7 **Conditions Precedent**. Closing is expected to take place by the end of March 2023 and is conditional upon satisfaction (or waiver in accordance with the terms of the SPA) of the conditions set out in Appendix A to this Circular, or their satisfaction subject only to Closing (the "**Conditions**" and each, a "**Condition**").

7.8 **Closing**. Closing will take place on the earlier of:

7.8.1 the SPA Business Day that is six weeks from (and excluding) the Regulatory Conditions Satisfaction Date, being the date on which all of the Regulatory Conditions are satisfied or waived in accordance with the SPA; and

7.8.2 the SPA Business Day that is the tenth SPA Business Day from (and excluding) the date of an irrevocable notice issued by SATS International to the Sellers on or after the Conditions Satisfaction Notification Date[37] specifying that SATS International is ready and willing to proceed to Closing,

or such other date as may be agreed in writing between SATS International and the Institutional Seller, provided that if the Regulatory Conditions Satisfaction Date is on or prior to 19 December 2022, the Closing Date shall be no later than 28 February 2023.

[37] "**Conditions Satisfaction Notification Date**" means the date on which the fulfilment of the last of the Shareholder Condition (as defined in **Appendix A**) and the Regulatory Conditions is notified in accordance with the SPA or, if relevant, the date on which the last Condition is waived in accordance with the SPA.

7.9 **Longstop Date**. If any Condition is not satisfied (or waived in accordance with the terms of the SPA) by 5.00 p.m. (CET) on the date falling 10 months from the date of the SPA (subject to the right of the Institutional Seller to extend by a further two months) or such other date as the Institutional Seller and SATS International may agree in writing (the "**Longstop Date**"), SATS International or the Institutional Seller may, in their sole discretion, terminate the SPA with immediate effect. SATS will make an announcement in accordance with Rule 1014(4) of the Listing Manual if Closing does not take place by the Longstop Date.

7.10 **Break Fee**. If the SPA is terminated due to:

7.10.1 the EGM not being held by 28 February 2023;

7.10.2 the Proposed Acquisition Resolution not being approved by the Shareholders at the EGM, and:

(i) the Board failing to unanimously and without qualification recommend to the Shareholders to vote in favour of the Proposed Acquisition Resolution; or

(ii) at any time prior to the satisfaction of the Shareholder Condition (as defined in Appendix A to this Circular), the Board withdrawing, adversely modifying or amending, qualifying or proposing to publicly withdraw, adversely modify or amend or qualify its unanimous and unqualified recommendation to the Shareholders to vote in favour of the Proposed Acquisition Resolution;

7.10.3 SATS International failing to make the necessary payments under the SPA on Closing (including payment of the Aggregate Consideration);

7.10.4 the Shareholder Condition remaining unsatisfied by the Longstop Date and any of SATS International, SATS or their Affiliates being in breach of their material obligations relating to the Conditions; or

7.10.5 any of the Regulatory Conditions remaining unsatisfied at the Longstop Date, and any of SATS International, SATS or their Affiliates being in breach of their material obligations relating to the Regulatory Conditions or Conditions,

SATS International shall pay to the Institutional Seller an amount equal to €100 million (approximately equivalent to S$138 million) (exclusive of any value added tax) ("**Break Fee**") within 30 calendar days of such termination, provided that SATS International shall not be required to pay the Break Fee if the failure of any Seller, any member of the Institutional Seller's Group or any Seller's Connected Person to comply with its material obligations relating to the Shareholder Condition (as defined in Appendix A to this Circular), the Regulatory Conditions or the Conditions was the cause of or resulted in the occurrence of any of the aforementioned termination triggers.

7.11 **Undertakings and Warranties**.

7.11.1 Each of the Sellers, SATS International and the Company have agreed to give certain undertakings and warranties in the SPA as are customary for transactions of this nature (the fundamental warranties provided by the Sellers, the "**Sellers' Warranties**").

7.11.2 In addition, the following warrantors:

(i) Craig Smyth;

(ii) François Mirallié;

(iii) Barry Nassberg;

(iv) John Batten; and

(v) Michael Simpson,

(collectively, the "**Warrantors**") have entered into a warranty deed (the "**Warranty Deed**") with SATS International, pursuant to which the Warrantors have agreed to give certain customary warranties in respect of the Target Group (the "**Warranty Deed Warranties**"). All the Warrantors are senior management of the Target Group. The Warranty Deed Warranties include warranties in relation to the authority and capacity and compliance with sanctions laws of the Warrantors and warranties in relation to the affairs of the Target Group, such as (among other things), the Target Group's corporate structure, corporate records, solvency, accounts, financial obligations, contracts, material assets, material properties, material intellectual property rights, employment and pensions, tax and legal compliance.

7.12 **W&I Policy**. SATS International has taken out a warranty and indemnity insurance policy (subject to applicable policy limits, deductibles and exclusions) with VALE Insurance Partners Europe B.V. (as underwriter and authorised representative of the insurers in all matters arising out of and relating to the policy) to cover the losses, liabilities, costs (including legal costs and experts', consultants' and other professional fees), charges, expenses, actions, proceedings, penalties, taxes, damages, claims and demands arising in relation to breaches of the Sellers' Warranties and the Warranty Deed Warranties. As such, SATS International's primary recourse for such claims or demands will be under the warranty and indemnity insurance policy taken out by it. This is in line with market practice and customary for transactions of a similar nature. However, if there is a material breach of certain warranties in the Warranty Deed as of immediately prior to Closing and such breach has a material adverse effect[38] on the Target Group which is continuing, SATS International is entitled to terminate the SPA.

8. SOURCE OF FUNDS

8.1 **Estimated Total Acquisition Cost**. The estimated total cost of the Proposed Acquisition (the "**Total Acquisition Cost**")[39] is approximately €1,340 million (approximately equivalent to S$1,851 million), comprising:

8.1.1 €1,271 million (approximately equivalent to S$1,755 million), being the Maximum Aggregate Consideration; and

[38] Under the SPA, "material adverse effect" refers to any change, event, state of facts, condition or circumstances occurring after the date of the SPA (being 28 September 2022) which has individually or in the aggregate a material adverse effect on the financial condition or trading position of the Target Group (taken as a whole), subject to certain exceptions (for example, where the adverse effect is caused by change of economic or political conditions or natural disasters).

[39] The calculations of the estimated Total Acquisition Cost do not include transaction expenses.

8.1.2 €69 million (approximately equivalent to S$95 million), being the estimated Lender Pay-Off Amount[40].

8.2 Method of Financing

The Company has finalised the funding plan for the Total Acquisition Cost. The details of such funding plan are outlined below:

8.2.1 **Three-Year Euro-denominated term loan** equivalent to approximately **S$700 million** (the "**Term Loan**"):

(i) The Company has received committed letters of offer from its principal bankers for the Term Loan.

(ii) The Term Loan has an all-in cost of between 4.0% and 4.5% per annum based on prevailing EURIBOR and is comparable to the terms of the Company's existing borrowing facilities.

8.2.2 **Proposed Rights Issue**

(i) The Company proposes to undertake a renounceable rights issue of new Shares to existing Shareholders on a *pro rata* basis (the "**Proposed Rights Issue**"), to raise gross proceeds of up to approximately **S$800 million** to partially finance the Total Acquisition Cost or to be applied towards repayment of the one-year bridge loan (as described in paragraph 8.2.4 of this Circular), if drawn.

(ii) The Proposed Rights Issue will be undertaken pursuant to the General Mandate and will therefore not be subject to further approval of Shareholders. The Company will be seeking the approval of the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST. The in-principle approval of the SGX-ST, if granted by the SGX-ST, is not an indication of the merits of the Proposed Rights Issue, the Rights Shares or any of the transactions contemplated in association with the Proposed Rights Issue, the Company and/or its subsidiaries, the Proposed Acquisition, the existing Shares or the Rights Shares.

(iii) The terms (including the price) and timing of the Proposed Rights Issue will be determined by the Company in agreement with the Underwriter(s) after taking into account various factors including precedent transactions and market conditions.

[40] The Lender Pay-Off Amount figure assumes the relevant change of control consents or waivers are not received. As at 30 June 2022, the Lender Pay-Off Amount in relation to: (a) the €160 million revolving credit facility was €0; and (b) the €7.5 million overdraft facility was €0 million as the facilities were undrawn. Accordingly, the estimated Lender Pay-Off Amount in relation to these facilities at Closing is assumed to be €0. The U.K. grants repayment is assumed to be £4.9 million, which includes estimated potential future grants for the remainder of 2022. It is also assumed that no withholding tax is payable on the Lender Pay-Off Amount.

(iv) **It is envisaged that the Proposed Rights Issue will be underwritten by the Underwriter(s)** subject to the execution of an underwriting agreement on such terms and conditions as the Underwriter(s) may agree with the Company. The underwriting agreement is anticipated to be signed upon the terms of the Proposed Rights Issue being agreed upon.

(v) The details of the Proposed Rights Issue will be announced by the Company on the SGX website at the URL https://www.sgx.com/securities/company-announcements at the appropriate time when the Company launches the Proposed Rights Issue on such terms and at such time as may be agreed with the Underwriter(s). For the avoidance of doubt, the Proposed Rights Issue and the Proposed Acquisition are not inter-conditional in that the Proposed Rights Issue is not a condition precedent to Closing and the final decision regarding the undertaking of the Proposed Rights Issue will be made by the Company, at its discretion, at the appropriate time, taking into account the then-prevailing market conditions. The Company is under no time pressure to undertake the Proposed Rights Issue, in view of the Acquisition Bridge Facility described in paragraph 8.2.4 of this Circular, which can be drawn to fund and complete the Proposed Acquisition, if required.

8.2.3 **Cash** of **S$320 million** from the Company's existing cash balance.

8.2.4 **Acquisition bridge facility** for a Singapore Dollar equivalent amount of up to €1,200 million (approximately equivalent to S$1,657 million) ("**Acquisition Bridge Facility**"):

(i) The Company has obtained the Acquisition Bridge Facility to fund and complete the Proposed Acquisition, if required. It is intended that the Acquisition Bridge Facility will be varied and amended to a S$1,000 million one-year bridge loan (which can be utilised in either Singapore Dollars or Euros) and the Term Loan as described in paragraph 8.2.1 of this Circular.

(ii) The net proceeds generated from the Proposed Rights Issue will then be applied towards repayment of the one-year bridge loan, if drawn.

8.2.5 The Company believes this finalised funding plan provides a prudent and balanced mix of sources, and presents Shareholders with an optimal value proposition for the Proposed Acquisition. The SATS Group is confident that it will be able to deleverage and meet its debt commitments with the potential free cash flows that will be generated from the combined business.

8.3 Intention of Venezio to Subscribe

Venezio, which owns 446,123,158 Shares as at the Latest Practicable Date, representing approximately 39.68 per cent. of the Shares in issue (excluding treasury shares), has indicated to the Company its intention, subject to the terms of the Proposed Rights Issue to be finalised, to subscribe for its *pro rata* entitlement to the Proposed Rights Issue.

8.4 Intention of the Directors

To demonstrate their commitment to and confidence in the prospects of the SATS Group and to show their support for the Proposed Rights Issue, the Directors have indicated to the Company that, to the extent that they hold any Shares at the relevant time of the Proposed Rights Issue and any *pro rata* entitlements are allocated to them to subscribe for Rights Shares, they intend to exercise such *pro rata* entitlements in full and subscribe for the relevant amount of Rights Shares, in accordance with the terms and conditions of the Proposed Rights Issue which will be announced by the Company at the appropriate time when the Company launches the Proposed Rights Issue.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed to the Board as part of the Proposed Acquisition and no director's service contract is proposed to be entered into by the Company with any person in connection with the Proposed Acquisition.

10. LISTING MANUAL COMPUTATIONS

10.1 Relative Figures. Based on the audited consolidated financial statements of the SATS Group for FY22, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006[1] of the Listing Manual are as follows:

Rule 1006(a): The net asset value of the assets to be disposed of, compared with the SATS Group's net asset value	N/A
Rule 1006(b): Net profits attributable to the assets acquired, compared with the SATS Group's net loss	(367.2)%[2]
Rule 1006(c): Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares	42.6%[3]
Rule 1006(d): The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N/A
Rule 1006(e): The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the SATS Group's proved and probable reserves	N/A

Notes:

(1) Rules 1006(a), (d) and (e) of the Listing Manual are not applicable to the Proposed Acquisition. Rule 1006(a) does not apply to an acquisition of assets. Rule 1006(d) of the Listing Manual does not apply as the Company will not be issuing new Shares as consideration for the Proposed Acquisition. Rule 1006(e) of the Listing Manual does not apply because the Company is not a mineral, oil & gas company.

(2) The adjusted net profits of the Target Group for the 12 months ended 31 March 2022 were approximately €66 million (approximately equivalent to S$99.5 million), which is based on (i) the unaudited financial information of the Target Group for the 12 months ended 31 March 2022 prepared in accordance with French GAAP[41] for the WFS Group and Dutch GAAP for the Dutch Holding Companies, and which have not been converted to SFRS(I) and (ii) the inclusion of the financial effects for the Target Group's material acquisitions referred to at paragraph 11.2.7 of this Circular, assuming these acquisitions were completed on 1 April 2021. The net loss of the SATS Group for the financial year ended 31 March 2022 was S$27.1 million. Under Rule 1002(3) of the Listing Manual, net profits means "profit or loss including discontinued operations that have not been disposed of and before income tax and non-controlling interests". The figure of (367.2)% was arrived at by dividing S$99.5 million, being the adjusted net profits of the Target Group for the 12 months ended 31 March 2022, by negative S$27.1 million, being the net loss of the SATS Group for the financial year ended 31 March 2022.

(3) Based on the estimated Maximum Aggregate Consideration (being €1,271 million (approximately equivalent to S$1,755 million)) and the estimated Lender Pay-Off Amount (being €69 million (approximately equivalent to S$95 million)) and the Company's market capitalisation of approximately S$4,340 million as at 27 September 2022, being the last full day of trading prior to the announcement of the Proposed Acquisition. The market capitalisation of the Company is derived by multiplying 1,124,184,170 Shares in issue by the volume-weighted average traded price of S$3.86 on 27 September 2022, being the last full day of trading prior to the announcement of the Proposed Acquisition. The figure of 42.6% was arrived at by dividing S$1,851 million, being the sum of the estimated Maximum Aggregate Consideration and the estimated Lender Pay-Off Amount, by the market capitalisation of the Company as at the last full day of trading prior to the announcement of the Proposed Acquisition.

10.2 **Application of Rule 1015(7) of the Listing Manual**. As the Proposed Acquisition is an acquisition of profitable asset(s)[42] and only the relative figure computed under Rule 1006(b) of the Listing Manual exceeds 100%, pursuant to Rule 1015(7) of the Listing Manual, the Proposed Acquisition does not constitute a "Very Substantial Acquisition" as defined under Chapter 10 of the Listing Manual.

10.3 **Major Transaction.** As the relative figures computed under Rules 1006(b) and 1006(c) of the Listing Manual exceed 20%, the Proposed Acquisition constitutes a "Major Transaction" as defined under Chapter 10 of the Listing Manual and is subject to the approval of Shareholders in general meeting.

11. COMBINED *PRO FORMA* FINANCIAL EFFECTS

11.1 **Bases**. The combined *pro forma* financial effects of the Proposed Acquisition on the SATS Group as set out in this paragraph 11 of this Circular is based on:

11.1.1 the audited consolidated financial statements of the SATS Group for FY22, prepared in accordance with SFRS(I); and

11.1.2 the unaudited financial information of the Target Group for the 12 months ended 31 March 2022, prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, and which:

(i) with respect to the information provided in Column (2) of each of the tables in paragraph 11.4 of this Circular, have not been converted to SFRS(I); and

[41] The unaudited financial information of the Target Group was prepared in accordance with the French Commercial Code completed by the new regulation 2020-01 of the French Accounting Regulation's Committee replacing since 1 January 2021 the old regulation 99-02 of the French Accounting Regulation's Committee.
[42] The net profits of the Target Group were calculated based on: (i) the unaudited financial information of the Target Group for the 12 months ended 31 March 2022 prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, and which had not been converted to SFRS(I); and (ii) the inclusion of the financial effects for the Target Group's material acquisitions referred to at paragraph 11.2.7 of this Circular, assuming these acquisitions were completed on 1 April 2021.

(ii) with respect to the information provided in Column (3) of each of the tables in paragraph 11.4 of this Circular, have been converted to SFRS(I) by the Company on a best-efforts basis in consultation with an external consultant engaged by the Company:

- based on information made available by the WFS Group to the SATS Group;

- taking into account the financial reporting implications under SFRS(I) that are derived from the consolidation of the Target Group for the 12 months ended 31 March 2022; and

- taking into account the Company's best-efforts estimation of the major GAAP differences identified between current Target Group financial reporting under French GAAP, Dutch GAAP and SFRS(I).

The four major GAAP differences considered for these adjustments relate to the application of: (i) SFRS(I) 16 *Leases*; (ii) SFRS(I) 1-28 *Investment in Associates and Joint Ventures*; (iii) SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates*; and (iv) SFRS(I) 9 *Financial Instruments* (only with regards to recognition of on-balance sheet of recourse factoring arrangements).

The transition to SFRS(I) for the purpose of showing the combined *pro forma* financial effects in this Circular is a major undertaking. The information provided in Column (3) of each of the tables in paragraph 11.4 of this Circular is not intended to reflect all the implications derived from a full SFRS(I) conversion exercise (which can only be undertaken post-Closing) and cannot be relied upon to have identified all the differences which exist between current accounting policies and SFRS(I) compliant policies, all the adjustments which may be required, or all the issues which could arise on modifying systems as part of a SFRS(I) implementation exercise of the Target Group. Accordingly, other adjustments could be identified, and the Company's best-efforts estimates could prove to be inaccurate and the implications could be material.

11.2 Assumptions. For the purposes of illustrating the financial effects of the Proposed Acquisition, the financial effects have been prepared based on, *inter alia*, the above bases and the following assumptions:

11.2.1 the total acquisition cost, which includes the estimated aggregate consideration[43] of €1,257 million (approximately equivalent to S$1,736 million) and the Lender Pay-Off Amount[44] of €56 million (approximately equivalent to S$84 million), is €1,313 million (approximately equivalent to S$1,820 million);

11.2.2 the financial effects of the Proposed Acquisition on the SATS Group's NTA, NAV and aggregate leverage are computed assuming that the Proposed Acquisition was completed on 31 March 2022;

11.2.3 the financial effects of the Proposed Acquisition on the SATS Group's EPS are computed assuming that the Proposed Acquisition was completed on 1 April 2021;

11.2.4 the total acquisition cost in paragraph 11.2.1 of this Circular is assumed to be funded in the following manner: (i) approximately S$800 million by way of the Proposed Rights Issue; (ii) the Euro equivalent of approximately S$700 million by way of the Term Loan; and (iii) S$320 million from internal cash reserves. Purely for illustrative purposes only, it is assumed that approximately 362 million Rights Shares are being issued under the Proposed Rights Issue to raise total gross proceeds of approximately S$800 million.

Please note that the above is purely for illustrating the financial effects of the Proposed Acquisition and does not represent the final terms or timing of the Proposed Rights Issue. The terms and timing of the Proposed Rights Issue have not been determined by the Company. As indicated in paragraph 8.2.2(v) of this Circular, the details of the Proposed Rights Issue will be announced by the Company on the SGX website at the URL https://www.sgx.com/securities/company-announcements at the appropriate time when the Company launches the Proposed Rights Issue on such terms and at such time as may be agreed with the Underwriter(s);

11.2.5 the exclusion of financial effects of purchase price allocation under SFRS(I) 3, for illustrating the financial effects on the consolidated NTA of the SATS Group;

11.2.6 the exclusion of transaction costs for the Proposed Acquisition;

11.2.7 the inclusion of the financial effects for the Target Group's material acquisitions of Mercury and Pinnacle, assuming these acquisitions were completed on 1 April 2021, for illustrating the financial effects on the consolidated earnings of the SATS Group;

---

[43] For purposes of the combined *pro forma* financial effects as set out in paragraph 11 of this Circular, the estimated aggregate consideration applies a rate of 2.5 per cent. to the Adjusted Base Consideration and Released Deposits as if the transaction were to close on 31 March 2023 and applies a €:S$ exchange rate of 1:1.3809.

[44] For the purposes of the combined *pro forma* financial effects as set out in paragraph 11 of this Circular, the Lender Pay-Off Amount differs from paragraph 8.1.2 of this Circular in that it assumes: (i) the Brazil loans and U.S. PSP notes balances are as of 31 March 2022; and (ii) the U.K. grants are not required to be repaid, and is based on a €:S$ exchange rate of 1:1.5077 as at 31 March 2022. Further, as set out in paragraph 7.6.1 of this Circular, for the purposes of the combined *pro forma* financial effects as set out in paragraph 11 of this Circular: (a) the €160 million revolving credit facility made available to the Target Group is assumed to be undrawn; and (b) the €7.5 million overdraft facility made available to a subsidiary of the Target in France is assumed to be undrawn.

11.2.8 the exclusion of contingent liabilities of a maximum of £4.9 million (approximately equivalent to S$7.5 million)[45] that may potentially arise as a result of the Proposed Acquisition due to the change of control at the Target Group;

11.2.9 the Target Group's financial information in € has been translated based on an exchange rate of €1.000:S$1.508, and foreign exchange effects have been excluded; and

11.2.10 the purchase consideration for illustrating the financial effects on the consolidated NTA and NAV of the SATS Group comprises the following:

(i) Base Consideration of €1,187 million (approximately equivalent to S$1,639 million); plus

(ii) an amount equal to the aggregate amount of: (a) any Released Deposits; and (b) an amount equal to €1 million (approximately equivalent to S$1 million) calculated by applying the rate of 2.5 per cent. per annum on each such Released Deposit from (and including) the date on which such Released Deposit is refunded to the Target Group in cash to (and including) the assumed Closing Date of 31 March 2023, such amount accrued daily based on 365 days per annum; minus (c) in respect of any Released Deposit for which a letter of credit is issued as the replacement, an amount equal to the cost of such replacement letter of credit which is in excess of the fees and/or cost of a letter of credit as contemplated in the €160 million revolving credit facility made available to the Target Group; plus

(iii) an amount equal to €30 million (approximately equivalent to S$41 million), calculated by applying the rate of 2.5 per cent. per annum to the amount equal to the Adjusted Base Consideration (being the Base Consideration less the Disclosed Transaction Costs), over the period from (and excluding) 31 March 2022 to (and including) the assumed Closing Date of 31 March 2023, such amount accrued daily based on 365 days per annum.

11.3 ***Pro Forma* Financial Effects**. The *pro forma* financial effects of the Proposed Acquisition as set out below are strictly for illustrative purposes and do not necessarily reflect the actual financial position and performance of the Company or the SATS Group, prepared according to the relevant accounting standards, following the Proposed Acquisition.

Following Closing, the accounts of the Target Group will have to be converted from French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, to SFRS(I), on which basis the audited consolidated financial statement of the SATS Group need to be prepared. Such conversion will require adjustments to be made to the reported numbers of the Target Group and there could be substantial differences in our results of operations, cash flows and financial positions from what is presented in this Circular. See paragraph 11.1.2(ii) of this Circular for certain identified adjustments at this stage.

In addition, the financial statements of the Target Group will have to be translated into Singapore Dollars (which is the Company's reporting currency) for consolidation into the SATS Group's financial statements following the completion of the Proposed Acquisition. Exchange

[45] Based on a £ to S$ exchange rate of 1:1.55.

rate gains or losses may arise when the assets and liabilities in the foreign currencies used by the Target Group are translated or exchanged into Singapore Dollars for financial reporting.

11.4 Combined *Pro Forma* Financial Effects

11.4.1 NTA

	As at 31 March 2022 (1)	Immediately following Closing (before SFRS(I) adjustments) (2)	Immediately following Closing (after SFRS(I) adjustments) (3)
NTA (net of minority interest) of the SATS Group (S$ million)	1,049	(1,136)	(1,131)
Number of Shares excluding treasury shares (million)	1,122	1,484	1,484
NTA (net of minority interest) per Share (Singapore cents)	93.5	(76.6)	(76.2)

Note: The negative NTA position immediately following Closing is owing largely to the Target Group's goodwill balance of €770 million (approximately equivalent to S$1,161 million), the Target Group's intangible assets of €325 million (approximately equivalent to S$490 million) which comprises mainly customer relationships, trademarks, and intangible rights under concession contracts, and goodwill arising from the SATS Group's acquisition of the Target Group.

11.4.2 NAV

	As at 31 March 2022 (1)	Immediately following Closing (before SFRS(I) adjustments) (2)	Immediately following Closing (after SFRS(I) adjustments) (3)
NAV (net of minority interest) of the SATS Group (S$ million)	1,603	2,409	2,409
Number of Shares excluding treasury shares (million)	1,122	1,484	1,484
NAV (net of minority interest) per Share (Singapore cents)	142.8	162.3	162.3

11.4.3 EPS

	FY22 (1)	Immediately following Closing (before SFRS(I) adjustments)(A) (2)		Immediately following Closing (after SFRS(I) adjustments)(B) (3)	
		Including Amortisation of Intangible Assets[46] (A)	Excluding Amortisation of Intangible Assets (B)	Including Amortisation of Intangible Assets[46] (A)	Excluding Amortisation of Intangible Assets (B)
Net profit attributable to the owners of the Company for FY22 (S$ million)	20	28	66	(16)	22
Weighted average number of Shares in issue used for computing basic EPS (million)	1,121	1,483	1,483	1,483	1,483
Weighted average number of Shares in issue used for computing diluted EPS (million)	1,125	1,487	1,487	1,487	1,487

[46] The inclusion of financial effects for the amortisation of intangible assets (net of tax effects) arising from the provisional purchase price allocation under SFRS(I) 3 assuming the Proposed Acquisition was completed on 1 April 2021.

Net profit per Share (Singapore cents) – basic	1.8	1.9	4.4	(1.1)	1.4
Net profit per Share (Singapore cents) – diluted	1.8	1.9	4.4	(1.1)	1.4

Notes:

(A) **Before SFRS(I) adjustments**: The impact of the Proposed Acquisition on EPS is positive, based on the Target Group's financial results for the 12 months ended 31 March 2022 reported under French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies. The basic net profit per Share (Singapore cents) improves (i) from 1.8 cents to 1.9 cents if we include amortisation of intangible assets; and (ii) from 1.8 cents to 4.4 cents if we exclude amortisation of intangible assets.

(B) **After SFRS(I) adjustments**: The SATS Group presents its financial results in accordance with SFRS(I). The following SFRS(I) adjustments have been applied to align the financial results of the Target Group with those of the Company:

(i) **SFRS(I) 16 Leases:** The WFS Group adopts an asset-light strategy and leases most of its premises and equipment. Adoption of SFRS(I) resulted in:

- the recognition of operating leases, rights-of-use assets and lease liabilities which are on-balance sheet (these are disclosed off-balance sheet under French GAAP); and

- the depreciation of lease assets and interest on lease liabilities recorded over the lease term in the income statement (rental expenses paid recognised as operating expenses under French GAAP). Interest expense is front loaded. The total expenses, which is the sum of depreciation expense and interest expense, incurred on the leases over the contractual period remain unchanged under both accounting standards, French GAAP and SFRS(I).

The resulting adjustment is non-cash in nature and does not affect the cash flow of the Target Group. However, it does reduce the resulting EPS when calculated using SFRS(I) requirements for the period ended 31 March 2022.

(ii) **SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates**: Unlike French GAAP, SFRS(I) 1-21 requires the recognition of unrealised foreign exchange gains and losses in the income statement (recorded in balance sheet under French GAAP). The resulting adjustment is non-cash in nature and does not affect the cash flow of the Target Group. However, it does affect the resulting EPS when calculated using SFRS(I) requirements.

Based on the unaudited financial information of the Target Group for the 12 months ended 31 March 2022, prepared in accordance with French GAAP for the WFS Group and Dutch GAAP for the Dutch Holding Companies, the Proposed Acquisition would be immediately accretive from an EPS perspective. However, when the financial effects of a GAAP conversion from French GAAP for the WFS Group and from Dutch GAAP for the Dutch Holding Companies into SFRS(I) are accounted for, the Proposed Acquisition would be dilutive for FY22 from an EPS perspective.

11.4.4 Aggregate Leverage – Debt to Equity[47]

	As at 31 March 2022 (1)	Immediately following Closing (before SFRS(I) adjustments) (2)	Immediately following Closing (after SFRS(I) adjustments) (3)
Equity (S$ million)	1,834	2,634	2,634
Debt (S$ million)	838	3,176[48]	4,208[49]
Debt to Equity Ratio	46%	121%	160%

The SATS Group's estimated gross debt maturity profile immediately following Closing is expected to be as follows:

- 2025: S$300 million
- 2026: EUR500 million and JPY7.8 billion
- 2027: US$400 million and EUR590 million

For the avoidance of doubt, the debt maturity profile stated above takes into account the debt that SATS is taking on in connection with the Proposed Acquisition.

11.4.5 Aggregate Leverage – Net Debt to EBITDA[50]

	As at 31 March 2022 (1)	Immediately following Closing (before SFRS(I) adjustments) (2)	Immediately following Closing (after SFRS(I) adjustments) (3)
Net Debt (S$ million)	52	2,419[51]	3,492[52]
EBITDA (S$ million)	94	445[53]	697[54]
Net Debt to EBITDA	0.5x	5.4x	5.0x

Note: When the financial results of the Target Group are aligned with those of the SATS Group using the SFRS(I) adjustments described in paragraph 11.1.2(ii) of this Circular, EBITDA increases from S$445 million to S$697 million.

[47] Columns (1) and (2) of the table in this paragraph include the Company's lease liabilities. The Company's financial statements were prepared under SFRS(I).
[48] This includes the debt of the Target Group with an aggregate amount of €1,142 million (based on a US$ to € exchange rate of 1:1.1101 as at 31 March 2022) (including bank overdrafts and excluding letters of credit) and a Lender Pay-Off Amount of €56 million (approximately equivalent to S$84 million).
[49] See footnote 48 above.
[50] Columns (1) and (2) of the table in this paragraph include the Company's lease liabilities. The Company's financial statements were prepared under SFRS(I).
[51] See footnote 48 above.
[52] See footnote 48 above.
[53] The Company's EBITDA refers to earnings (including share of results of associates/joint ventures) before interest, tax, depreciation and amortisation, and excludes other non-operating gain/loss.
[54] See footnote 53 above.

The Company is in the process of seeking consents from its bondholders and lenders to amend the financial covenants for its outstanding notes of S$300 million issued under the S$2 billion multicurrency MTN programme and an existing term loan of JPY7.8 billion. Such consents from bondholders and lenders are not a condition precedent to the completion of the Proposed Acquisition. If the requisite consents are not received by the Company, the Company will draw down on its existing unutilised, uncommitted credit facilities to repay the bondholders and lenders. Such drawdown is not envisaged to significantly change the Company's financials, nor will it impact or delay the completion of the Proposed Acquisition. In any event, the Company expects to obtain the necessary consents from its bondholders and lenders prior to the completion of the Proposed Acquisition.

Post-Closing, the financial indebtedness and aggregate leverage of the SATS Group are expected to increase, primarily driven by the Term Loan procured as part of the funding plan for the Proposed Acquisition, the WFS Group's Senior Secured Notes and the adoption of SFRS(I).

In light of the current macroeconomic business environment, with many advanced economies raising interest rates to combat rising inflationary pressures, it is vital that the SATS Group continues to maintain a sustainable capital structure and generate sufficient cash flows in order to, *inter alia*:

- compete among its peers who may have access to more financial resources and better withstand potential downturns in business conditions or market cycles;

- obtain additional financing to support future working capital, capital expenditures, business opportunities and other corporate requirements; and

- continue to meet its debt servicing obligations.

Following Closing, the SATS Group will review its existing financing arrangements, including the WFS Group's Senior Secured Notes, and will evaluate all options with respect to existing WFS Group debt which may include, *inter alia*, refinancing with the WFS Group's existing and/or new lenders or through the debt capital markets as well as deleveraging through cash flows generated by the combined business. The SATS Group believes that the balanced funding plan for the Proposed Acquisition will serve to optimise financing costs and gearing to position the SATS Group for continued sustainable growth.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

To the best of the knowledge of the Board, save as disclosed in this Circular: (i) none of the Directors (other than in his/her capacity as Director or Shareholder, as the case may be) of the Company has any interest, direct or indirect, in the Proposed Acquisition; and (ii) there are no substantial Shareholders who have any interest, direct or indirect, in relation to the Proposed Acquisition.

13. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the Proposed Acquisition is in the best interests of the Company and accordingly unanimously and without qualification recommend that Shareholders vote in favour of the Proposed Acquisition Resolution at the EGM.

In addition, the Directors who have beneficial shareholdings in the Company will vote in favour of the Proposed Acquisition Resolution in respect of their own beneficial shareholdings in the Company.

14. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 ("**Physical Meeting**") and by way of electronic means ("**Virtual Meeting**") pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 on 18 January 2023 at 2.30 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without any modifications, the Proposed Acquisition Resolution, as set out in the Notice of EGM on page N-1 of this Circular.

15. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders may participate in the EGM by:

(a) (i) attending the Physical Meeting in person; or (ii) attending the Virtual Meeting through electronic means (by observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream);

(b) submitting questions to the Chairman of the Meeting in advance of, or live at, the EGM; and/or

(c) voting at the EGM: (i) live by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting)[55] via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM.

Details of the steps for pre-registration, submission of questions and voting at the EGM by shareholders, including CPF and SRS Investors, are set out in Appendix C to this Circular.

---

[55] For the avoidance of doubt, CPF/SRS Investors will not be able to appoint third-party proxy(ies) (i.e., persons other than the Chairman of the Meeting) to attend, speak and/or vote live at the EGM on their behalf.

In particular, CPF and SRS Investors should note that they: (i) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (ii) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 January 2023.

Persons who hold SATS Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), other than CPF and SRS Investors, and who wish to participate in the EGM by:

(a) (i) attending the Physical Meeting in person; or (ii) attending the Virtual Meeting through electronic means (by observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream);

(b) submitting questions to the Chairman of the Meeting in advance of, or live at, the EGM; and/or

(c) voting at the EGM: (i) live via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM,

should contact the relevant intermediary through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

SATS may implement such COVID-19 safe management measures (including vaccination-differentiated safe management measures) at the Physical Meeting as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of the COVID-19 situation in Singapore.

Shareholders should check the Company's website at the URL https://www.sats.com.sg/egm or the SGX website at the URL https://www.sgx.com/securities/company-announcements for the latest updates on the status of the EGM.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

17. FINANCIAL ADVISERS' RESPONSIBILITY STATEMENT

To the best of BofA Securities' and Citi's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Financial Advisers are not aware of any facts the omission of which would make any statement in this Circular misleading.

To the best of DBS' knowledge and belief, the information about the Proposed Acquisition contained in paragraphs 3, 4, 8, 10, 14, 15, and 18 of, and Appendix C to, this Circular, constitutes full and true disclosure of all material facts about the Proposed Acquisition and DBS is not aware of any facts the omission of which would make any statement in this Circular misleading.

18. DOCUMENTS FOR INSPECTION

Copies of the SPA and the Warranty Deed are available for inspection at the registered office of the Company, 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659 during normal business hours from the date hereof up to and including the date of the EGM.

Yours faithfully
for and on behalf of the Board of Directors of
SATS Ltd.

Ms Euleen Goh Yiu Kiang
Chairman

APPENDIX A

CONDITIONS PRECEDENT

1. **Conditions**. Closing is conditional upon satisfaction (or waiver in accordance with the SPA) of the following conditions, or their satisfaction (or waiver in accordance with the SPA) subject only to Closing:

(a) **Shareholder Condition**

the passing at a general meeting of the Company of the Proposed Acquisition Resolution required pursuant to Rule 1014 of the Listing Manual (the "**Shareholder Condition**"); and

(b) **Regulatory Conditions (the "Regulatory Conditions")**

(i) clearance pursuant to Council Regulation (EC) 139/2004 (as amended) (the "**EU Regulation**") by way of the European Commission taking a decision (or being deemed to have taken a decision) to either:

(1) find that the Proposed Acquisition does not fall within the scope of the EU Regulation pursuant to Article 6(1)(a) of the EU Regulation;

(2) declare the Proposed Acquisition compatible with the internal market pursuant to Articles 6(1)(b), 8(1) or 8(2) of the EU Regulation; or

(3) refer the whole or part of the Proposed Acquisition to the competent authorities of one or more EU Member States under Article 9(3) of the EU Regulation and:

(I) each such authority taking a decision with equivalent effect to that referred to in paragraphs 1(b)(i)(1) or 1(b)(i)(2) above with respect to those parts of the Proposed Acquisition referred to it; and

(II) the European Commission taking any of the decisions referred to in paragraphs 1(b)(i)(1) or 1(b)(i)(2) above with respect to any part of the Proposed Acquisition retained by it;

(ii) the occurrence of the following under the applicable Antitrust Laws in each of the United States, Brazil, Singapore and Thailand:

(1) all required notifications and filings in relation to the Proposed Acquisition having been made; and

(2) the expiry, lapsing or termination of all mandatory waiting and other necessary time periods and any extensions thereof or, where applicable, the obtaining of the necessary consents, approvals or clearances from the relevant Regulatory Authority of such jurisdiction in relation to the Proposed Acquisition;

(iii) the occurrence of the following upon the preparation and submission to the Committee on Foreign Investment in the United States ("**CFIUS**") of a joint voluntary notice regarding the Proposed Acquisition pursuant to 31 C.F.R. §800.501 (the "**CFIUS Filing**") in accordance with the requirements of section

721 of the Defense Production Act of 1950, as amended, and all implementing regulations issued and effective thereunder (together, the "**DPA**"):

(1) CFIUS having issued a written notification of CFIUS's determination that: (i) the Proposed Acquisition does not constitute a "covered transaction" under the DPA; or (ii) CFIUS having completed its review and, if applicable, any investigation of the CFIUS Filing, having determined that there are no unresolved national security concerns with respect to the Proposed Acquisition and concluded all action under the DPA; or

(2) CFIUS having sent a report to the President of the United States (the "**President**") requesting the President's decision with respect to the Proposed Acquisition, and either: (i) the period under the DPA during which the President may announce his or her decision having expired without his or her taking any action to suspend or prohibit the Proposed Acquisition; or (ii) the President having announced a decision not to take any action to suspend or prohibit the Proposed Acquisition; and

(iv) the occurrence of the following under the applicable Foreign Investment Laws in each of the United Kingdom, Denmark, France, Germany and Spain:

(1) all required notifications and filings in relation to the Proposed Acquisition having been made; and

(2) the expiry, lapsing or termination of all mandatory waiting and other necessary time periods and any extensions thereof or, where applicable, the obtaining of the necessary consents, approvals or clearances from the relevant Regulatory Authority of such jurisdiction in relation to the Proposed Acquisition; and

(c) **No Orders**

no Authority shall have issued an Order or enacted any Applicable Law that remains in effect and makes illegal or prohibits Closing, provided that where such illegality or prohibition only relates to part of the Target Group, this Condition shall only apply if such part of the Target Group generated annual revenue exceeding €30 million (calculated for the 12 months ended on 31 March 2022).

2. Definitions

In this Appendix A:

(a) "**Antitrust Laws**" means all Applicable Law in the relevant jurisdiction governing the conduct of businesses in relation to anticompetitive agreements or concerted practices, dominant or monopoly market positions and the control of mergers, acquisitions and joint ventures;

(b) "**Applicable Law**" means, in relation to any person, all applicable laws, statutes, legislation, by-laws, rules, regulations, notifications, Orders, ordinances, codes, notices, directions, circulars and/or other requirements of any Authority, in force from time to time and to which such person is subject;

(c) "**Authority**" means any government, quasi-government, governmental department, ministry, commission, bureau, court, agency, statutory or regulatory authority, instrumentality or administrative body which is acting in such capacity;

(d) "**Foreign Investment Law**" means any Applicable Law in the relevant jurisdiction that is designed or intended to prohibit, restrict or regulate actions by foreigners or non-domiciled persons to acquire interests in domestic equities, securities, entities, assets, land or interests on national security or public order grounds;

(e) "**Order**" means a judgment, writ, injunction or decree; and

(f) "**Regulatory Authority**" means any Authority in the jurisdictions listed in paragraph 1(b) of this Appendix A that has the power to investigate, approve, challenge or authorise the Proposed Acquisition under the relevant Antitrust Law(s) or Foreign Investment Law(s) in such jurisdictions.

ADDITIONAL FINANCIAL INFORMATION OF THE WFS GROUP

The financial information in this section is extracted from WFS Bondholder Reports and WFS Bondholder Report Presentations. The WFS Group financials are prepared in accordance with French GAAP and have not been converted to SFRS(I).

EUR (in million)	LTM Mar 21	LTM Jun 21	LTM Sep 21	LTM Dec 21	LTM Mar 22	LTM Jun 22	LTM Sep 22
Reported EBITDA	**97.0**	**189.8**	**196.8**	**207.9**	**201.7**	**178.4**	**175.0**
Add: acquisitions	25.3	28.2	30.7	36.9	31.0	22.1	12.9
EBITDA (scope in Chapter 10 / Investor Presentation)	**122.3**	**218.0**	**227.5**	**244.8**	**232.7**[56]	**200.5**	**187.9**

EUR (in million)	LTM Mar 21	LTM Jun 21	LTM Sep 21	LTM Dec 21	LTM Mar 22	LTM Jun 22	LTM Sep 22
Reported EBITDA	**97.0**	**189.8**	**196.8**	**207.9**	**201.7**	**178.4**	**175.0**
Business tax expense (CVAE)[57]	2.0	1.8	1.5	1.3	1.4	1.5	1.5
Non-cash provision for pensions[58]	1.2	1.4	7.1	7.7	8.0	8.2	2.8
Transaction-related costs	0.3	0.2	0.1	0.1	0.1	0.1	0.0
Non-recurring charges							
Restructuring, closing and severance costs[59]	*20.3*	*18.1*	*17.9*	*5.9*	*7.4*	*8.7*	*9.0*
Other non-recurring items	*23.6*	*6.0*	*0.8*	*(0.2)*	*1.0*	*1.1*	*2.2*
PSP grant/CARES Act (income)	(89.5)	(124.6)	(109.3)	(84.3)	(61.8)	(20.4)	- -
Adjustments to EBITDA	**(42.1)**	**(97.1)**	**(81.9)**	**(69.5)**	**(44.1)**	**(0.9)**	**15.5**
Adjusted EBITDA	**54.9**	**92.8**	**114.9**	**138.4**	**157.6**	**177.6**	**190.5**
Add: acquisitions	*25.3*	*28.2*	*30.7*	*36.9*	*31.0*	*22.1*	*12.9*
Add: discontinued operations' loss	*2.8*	*2.4*	*1.0*	*1.2*	*0.7*	*0.1*	*0.0*
***Pro Forma* Adjusted EBITDA (WFS Bondholder Reports)**	**83.0**	**123.4**	**146.6**	**176.5**	**189.3**	**199.8**	**203.4**

[56] Slight difference to €232M as disclosed in Chapter 10 announcement as figure here is calculated based on rounded figures from the report to bondholders issued by Promontoria Holding 264 B.V. setting out its financial results for the period ended 31 March 2022.
[57] Business tax expense (CVAE) can be classified as income tax under IFRS. Under French GAAP, which is the standard used in WFS Bondholder Reports, it is classified as an operating expense, hence the recurring adjustment to EBITDA above.
[58] In France, retirement indemnities are only due in case of actual retirements and not when a person leaves for any other reason. Actual pay-outs are included in EBITDA as they occur. Pension costs also include non-cash actuarial provisions. The WFS Group consistently adjusts EBITDA for the non-cash portion of pension expenses.
[59] Non-recurring restructuring costs, such as discontinued activities, acquisitions integration and human resources related costs.

EBITDA to Adjusted EBITDA – Quarterly[60]

EUR (in million)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Reported EBITDA	**36.7**	**40.9**	**70.3**	**48.9**	**47.8**	**34.7**	**47.0**	**45.5**
Business tax expense (CVAE)[61]	0.6	0.3	0.3	0.3	0.5	0.3	0.5	0.3
Non-cash provision for pensions[62]	0.9	0.2	0.2	5.8	1.4	0.5	0.4	0.4
Transaction-related costs	- -	- -	- -	0.0	0.0	0.0	0.0	0.0
Non-recurring charges								
Restructuring, closing and severance costs[63]	*12.4*	*0.5*	*2.3*	*2.7*	*0.3*	*2.1*	*3.5*	*3.0*
Other non-recurring items	*2.2*	*(0.1)*	*2.1*	*(3.5)*	*1.4*	*1.0*	*2.3*	*(1.5)*
PSP grant/CARES Act (income)	(26.0)	(22.4)	(41.4)	(19.5)	(1.0)	- -	- -	- -
Adjustments to EBITDA	**(9.8)**	**(21.5)**	**(36.5)**	**(14.1)**	**2.6**	**3.9**	**6.7**	**2.3**
Adjusted EBITDA	**26.9**	**19.4**	**33.7**	**34.8**	**50.4**	**38.7**	**53.7**	**47.8**

[60] Figures are not adjusted for the full year *pro forma* effects of Pinnacle and Mercury acquisitions.
[61] Business tax expense (CVAE) can be classified as income tax under IFRS. Under French GAAP, which is the standard used in WFS Bondholder Reports, it is classified as an operating expense, hence the recurring adjustment to EBITDA above.
[62] In France, retirement indemnities are only due in case of actual retirements and not when a person leaves for any other reason. Actual pay-outs are included in EBITDA as they occur. Pension costs also include non-cash actuarial provisions. The WFS Group consistently adjusts EBITDA for the non-cash portion of pension expenses.
[63] Non-recurring restructuring costs, such as discontinued activities, acquisitions integration and human resources related costs.

Quarterly Income Statement Overview[64]

EUR (in million)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Revenue[65]	**291.7**	**281.5**	**317.5**	**354.4**	**429.0**	**452.9**	**491.7**	**511.3**
Field expenses & operating overheads	(237.4)	(233.0)	(233.5)	(285.1)	(370.3)	(399.7)	(419.8)	(449.9)
Gross margin	**54.4**	**48.6**	**84.0**	**69.4**	**58.7**	**53.2**	**71.9**	**61.3**
Gross margin %	*18.6%*	*17.3%*	*26.5%*	*19.6%*	*13.7%*	*11.7%*	*14.6%*	*12.0%*
General & administration expenses and others	(30.6)	(23.9)	(28.1)	(28.6)	(33.9)	(34.4)	(40.5)	(37.2)
Operating income	**23.7**	**24.7**	**55.9**	**40.8**	**24.8**	**18.9**	**31.4**	**24.1**
Net financial income/(expenses)	(12.7)	(12.9)	(17.9)	(14.8)	(19.1)	(44.0)	(55.2)	(51.6)
Financial expenses on borrowings	*(13.7)*	*(13.4)*	*(13.1)*	*(13.2)*	*(13.5)*	*(18.0)*	*(23.4)*	*(17.7)*
Impairment of current and non-current financial assets	*(2.0)*	- -	*0.0*	*(0.7)*	*(0.3)*	*(0.3)*	[(c)] *(37.2)*	[(c)] *(26.2)*
Other financial expenses	*(3.5)*	*(3.3)*	*(3.6)*	*(3.8)*	*(5.9)*	[(b)] *(29.1)*	*0.6*	*(5.2)*
Impact of FX, share disposal, and others[66]	*6.5*	*3.8*	*(1.2)*	*2.9*	*0.7*	*3.5*	*4.8*	*(2.5)*
Goodwill impairment	[(a)] (72.3)	- -	- -	- -	- -	- -	- -	- -
Extraordinary items income/(expense)	[(a)] (17.3)	1.5	0.2	(0.1)	1.8	(0.2)	(0.0)	0.1
Profit before tax	**(78.6)**	**13.3**	**38.2**	**25.9**	**7.5**	**(25.3)**	**(23.8)**	**(27.4)**
Income tax expense	6.9	(2.0)	(23.5)	0.9	9.4	(3.9)	(7.0)	(3.5)
Reported net profit (as per WFS Bondholder Reports)	**(71.7)**	**11.3**	**14.7**	**26.8**	**17.0**	**(29.2)**	**(30.8)**	**(30.9)**
Net profit margin %	*(24.6%)*	*4.0%*	*4.6%*	*7.6%*	*4.0%*	*(6.4%)*	*(6.3%)*	*(6.0%)*

EUR (in million)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Profit before tax	**(78.6)**	**13.3**	**38.2**	**25.9**	**7.5**	**(25.3)**	**(23.8)**	**(27.4)**
Specific one-off items[67]	[(a)] *89.6*	*(1.5)*	*(0.2)*	*0.1*	*(1.8)*	[(b)] *22.7*	[(c)] *36.0*	[(c)] *25.2*
Profit before tax after adjustments for specific one-off items	***11.0***	***11.8***	***38.0***	***26.0***	***5.7***	***(2.6)***	***12.2***	***(2.2)***

Volatility in recent quarterly reported net profit has been driven largely by the occurrence of specific one-time, below operating income line costs. Key instances include:

(a) **Q4 2020:** mainly related to a reversal on a gain related to accounting treatment for the sale and lease back transaction of a warehouse at Copenhagen Airport which is included in the extraordinary items income / (expense) adjustment of €17.3 million, and goodwill impairment mainly due to COVID-19 and the prospective economic environment of €72.3 million.

[64] Figures are not adjusted for the full year *pro forma* effects of Pinnacle and Mercury acquisitions.
[65] Revenue is as presented in WFS Bondholder Reports and WFS Bondholder Report Presentations, and does not include income from airport fees. In order to comply with French GAAP and for statutory accounting purposes, WFS Group booked airport fees incurred (and recharged to customers) in connection with its North American business as revenue and costs. Airport fees are offset between revenue and field expenses, and exclusion of airport fees from revenue has no effect on EBITDA or net income.
[66] Include foreign exchange gains/losses, other financial income, capital gains/loss on share disposal.
[67] Each period Q4 2020 – Q3 2022 includes adjustment for "extraordinary items income / (expense)" as disclosed in the preceding table, in addition to the other adjustments as described in callouts (a) through (c). These below the operating income line adjustments are not inclusive of EBITDA level adjustments disclosed elsewhere.

(b) **Q1 2022**: mainly comprised of write off of unamortised financing cost of €15.7 million and redemption premium of €6.8 million related to previous senior secured notes.

(c) **Q2 2022 and Q3 2022**: mainly related to recognition of an unrealised foreign exchange difference and provision for currency risk related to conversion to EUR for the US$400 million US$ portion of the bonds due to exchange rate fluctuations, for €36.0 million and €25.3 million, respectively.

STEPS FOR PRE-REGISTRATION, SUBMISSION OF QUESTIONS AND VOTING AT THE EGM

Authenticated shareholders will be able to attend the Physical Meeting in person or the Virtual Meeting through electronic means (by observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream) via their mobile phones, tablets or computers, submit questions in advance of, or live at, the EGM and/or vote at the EGM: (a) live by the shareholder or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) in person; or (b) live by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (c) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the EGM.

To do so, they will need to complete the following steps:

No.	Steps	Details
1.	**Pre-registration**	**Shareholders (including, where applicable, their appointed proxy(ies)) and CPF and SRS Investors can pre-register for the EGM at the pre-registration website at the URL https://www.sats.com.sg/egm from 2.30 p.m. on 3 January 2023 to 2.30 p.m. on 15 January 2023 to enable the Company to verify their status.** Shareholders (including, where applicable, their appointed proxy(ies)) and CPF and SRS Investors who wish to attend the Physical Meeting should indicate their intention to do so at the pre-registration website. Following verification, authenticated shareholders (including CPF and SRS Investors) (and, where applicable, appointed proxy(ies)) who have pre-registered via the pre-registration website will receive, via the email address provided on pre-registration, either an email confirming physical attendance for the Physical Meeting or an email confirming virtual attendance for the Virtual Meeting. Authenticated shareholders (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), who are successful in the pre-registration for the Physical Meeting but are subsequently unable to attend the Physical Meeting for any reason, may nevertheless participate in the EGM via electronic means at the Virtual Meeting instead. Shareholders (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), who do not receive any confirmation email by 2.30 p.m. on 17 January 2023, but have pre-registered by 2.30 p.m. on 15 January 2023, should contact the Company's Share Registrar, M & C Services Private Limited, at +65 6228 0506 or via email at gpe@mncsingapore.com between 2.30 p.m. and 6.00 p.m. on 17 January 2023 or between 9.00 a.m. and 1.00 p.m. on 18 January 2023 for assistance.

		Shareholders (including CPF and SRS Investors) and, where applicable, appointed proxy(ies) who attend the Physical Meeting will also need to register in person at the registration counter(s) outside the EGM venue on the day of the event. Registration will commence at 1.00 p.m. on that day. Please bring along your NRIC/passport to enable SATS to verify your identity. As voting at the Physical Meeting will be conducted via an online platform, please also bring along a web-browser enabled device in order to access the voting function at the EGM. Shareholders are advised not to attend the Physical Meeting if they are feeling unwell.
2.	**Submission of questions in advance of, or live at, the EGM**	**Shareholders, including CPF and SRS Investors, can submit questions in advance of, or live at, the EGM.** **Submission of substantial and relevant questions in advance of the EGM**. Shareholders, including CPF and SRS Investors, can submit substantial and relevant questions related to the Proposed Acquisition Resolution to the Chairman of the Meeting, in advance of the EGM, in the following manners: (a) **Via pre-registration website**. Shareholders who pre-register for the EGM may submit their questions via the pre-registration website at the URL https://www.sats.com.sg/egm. (b) **Via email**. Shareholders may submit their questions via email to sats_ir@sats.com.sg. (c) **By post**. Shareholders may submit their questions by post to the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902. When submitting questions via email or by post, shareholders are required to provide us with the following details: • full name; • address; and • the manner in which Shares in SATS are held (e.g., via CDP, CPF, SRS and/or scrip). **Deadline to submit questions in advance of the EGM**. All questions submitted in advance of the EGM via any of the above channels must be received by 5.00 p.m. on 11 January 2023.

		Ask substantial and relevant questions live at the EGM. Shareholders (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), can also ask the Chairman of the Meeting substantial and relevant questions related to the Proposed Acquisition Resolution live at the EGM. Attendees at the Virtual Meeting can do this by submitting text-based questions via the live chat function on the online platform for the EGM. The live chat function will also be available for use by attendees at the Physical Meeting. Shareholders (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), will not be able to submit text-based questions live at the EGM via the audio-only stream of the EGM proceedings. **Pre-register to ask questions live at the EGM**. Shareholders (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), who wish to ask questions live at the EGM should first pre-register at the pre-registration website at the URL https://www.sats.com.sg/egm. **Addressing questions**. We will address substantial and relevant questions related to the Proposed Acquisition Resolution, as received from shareholders by the 11 January 2023 deadline, by publishing our responses to these questions on the Company's website at the URL https://www.sats.com.sg/egm and on the SGX website at the URL https://www.sgx.com/securities/company-announcements before the EGM. We will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the Proposed Acquisition Resolution) received, after the 11 January 2023 deadline for the submission of questions in advance of the EGM which have not already been addressed prior to the EGM, as well as those substantial and relevant questions received live at the EGM itself, during the EGM. **Where substantially similar questions are received, we will consolidate such questions and consequently not all questions may be individually addressed.** **Minutes of EGM**. We will publish the minutes of the EGM on the Company's website and on the SGX website at the URL https://www.sgx.com/securities/company-announcements, and the minutes will include the responses to substantial and relevant questions from shareholders which are addressed during the EGM.

3.	**Vote live, or submit instruments appointing a proxy(ies) to vote live, at the EGM**	**Shareholders who wish to exercise their voting rights at the EGM may:** **(a) (where such shareholders are individuals) vote live via electronic means at the EGM, or (whether such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote live via electronic means at the EGM on their behalf; or** **(b) (whether such Shareholders are individuals or corporates) appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM.** **Pre-register to vote live at the EGM**. Shareholders (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), who wish to vote live at the EGM should first pre-register at the pre-registration website at the URL https://www.sats.com.sg/egm. **Submission of instruments of proxy**. The instrument appointing a proxy(ies) must be submitted in the following manner: (a) if submitted by post, be lodged with the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or (b) if submitted electronically, be submitted: (i) via email to the Company's Share Registrar at gpe@mncsingapore.com; or (ii) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm, in each case, by 2.30 p.m. on 15 January 2023. A shareholder who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the hard copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form electronically from the Company's website or the SGX website, and complete and sign the proxy form before submitting it by post to the address provided above, or before submitting it via email (e.g., by enclosing a completed and signed PDF copy of the proxy form) to the email address provided above. A shareholder may also appoint a proxy(ies) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm. **Shareholders are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm.**

		Appointed proxy(ies) (other than the Chairman of the Meeting) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register at the pre-registration website at the URL https://www.sats.com.sg/egm, in order to attend the Physical Meeting in person or attend the Virtual Meeting through electronic means. **Shareholders who wish to appoint third-party proxy(ies) are encouraged to submit their instrument appointing a proxy(ies) early and should request their proxy(ies) to pre-register by 2.30 p.m. on 15 January 2023.** **CPF and SRS Investors**. CPF and SRS Investors: (a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 January 2023.

Notice of
Extraordinary General Meeting

SATS Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the Circular (as defined below).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of SATS Ltd. (the "**Company**") will be held at Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 and by way of electronic means on 18 January 2023 at 2.30 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution, which will be proposed as an ordinary resolution:

1. ORDINARY RESOLUTION – THE PROPOSED ACQUISITION

RESOLVED THAT:

(i) approval be and is hereby given for the proposed acquisition (the "**Proposed Acquisition**") by SATS International SAS ("**SATS International**"), an indirect wholly-owned subsidiary of the Company, of all the issued and paid-up share capital of Promontoria Holding 243 B.V. from each of the Sellers (as defined in the circular to the shareholders of the Company (the "**Shareholders**") dated 3 January 2023 (the "**Circular**")) on the terms and conditions set out in the Sale and Purchase Agreement dated 28 September 2022 (as may be supplemented or amended from time to time) (the "**SPA**"), and entered into between the Sellers, SATS International and the Company, as described in the Circular, and the entry into the SPA (including any other transactions and/or ancillary documents contemplated under the SPA) be and is hereby approved, ratified and confirmed;

(ii) the directors of the Company (the "**Directors**") or any one of them be authorised and directed to do all things necessary or expedient or in the interests of the Company and the Shareholders (including executing any document or procuring third-party consents as may be required) as the Directors or any one of them may deem fit, to give effect to the Proposed Acquisition as contemplated in this resolution; and

(iii) to the extent that any action in connection with the Proposed Acquisition has been performed or otherwise undertaken (whether partially or otherwise), they be and are hereby approved, ratified and confirmed.

BY ORDER OF THE BOARD

Ian Chye
Company Secretary

Singapore, 3 January 2023

Notes:

1. The EGM will be held at Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 ("**Physical Meeting**") and by way of electronic means ("**Virtual Meeting**") pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Hard copies of this Notice and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL https://www.sats.com.sg/egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. The Company may implement such COVID-19 safe management measures (including vaccination-differentiated safe management measures) at the Physical Meeting as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of the COVID-19 situation in Singapore. Members should check the Company's website at the URL https://www.sats.com.sg/egm or the SGX website at the URL https://www.sgx.com/securities/company-announcements for the latest updates.

3. Arrangements relating to:

   (a) in-person attendance at the EGM (including arrangements by which members or their appointed proxy(ies) can pre-register for the Physical Meeting);

   (b) attendance at the EGM via electronic means (including arrangements by which the Virtual Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream);

   (c) submission of questions to the Chairman of the Meeting in advance of, or live at, the EGM, and addressing of substantial and relevant questions in advance of, or live at, the EGM; and

   (d) voting at the EGM (i) live by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the EGM,

   are set out in the Circular. The Circular may be accessed at the Company's website at the URL https://www.sats.com.sg/egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

4. A member who wishes to exercise his/her/its voting rights at the EGM may:

   (a) (where the member is an individual) vote live via electronic means at the EGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote live via electronic means at the EGM on his/her/its behalf; or

   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.

5. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

6. A proxy need not be a member of the Company.

7. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted:

      (i) via email to the Company's Share Registrar at gpe@mncsingapore.com; or

      (ii) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm,

   in each case, not less than 72 hours before the time appointed for holding the EGM.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the hard copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form electronically from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before submitting it via email (e.g., by enclosing a completed and signed PDF copy of the proxy form) to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm.

   Members are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm.

8. CPF and SRS investors:

   (a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 January 2023.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company: (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"); (b) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes; and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Proxy Form

SATS Ltd.
(Incorporated in the Republic of Singapore)
Company Registration No. 197201770G

IMPORTANT

1. The Extraordinary General Meeting ("**EGM**") will be held at Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 ("**Physical Meeting**") and by way of electronic means ("**Virtual Meeting**") pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Hard copies of the Notice of EGM dated 3 January 2023 and this proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL https://www.sats.com.sg/egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Arrangements relating to:
   (a) in-person attendance at the EGM (including arrangements by which members or their appointed proxy(ies) can pre-register for the Physical Meeting);
   (b) attendance at the EGM via electronic means (including arrangements by which the Virtual Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream);
   (c) submission of questions to the Chairman of the Meeting in advance of, or live at, the EGM, and addressing of substantial and relevant questions in advance of, or live at, the EGM; and
   (d) voting at the EGM: (i) live by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the EGM,

   are set out in the Circular to Shareholders dated 3 January 2023. The Circular may be accessed at the Company's website at the URL https://www.sats.com.sg/egm and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **A member who wishes to exercise his/her/its voting rights at the EGM may:**
   (a) (where the member is an individual) vote live via electronic means at the EGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote live via electronic means at the EGM on his/her/its behalf; or
   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
5. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors:
   (a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 6 January 2023.
6. By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 3 January 2023.

*I/We ______________________ (Name) ______________ (*NRIC/Passport No./Co. Regn. No.) of ______________________ (Address) being *a member/members of SATS Ltd. (the "**Company**") hereby appoint:

Name	Address	Email Address**	NRIC/ Passport No.	Proportion of Shareholdings	
				No. of Shares	%

*and/or

or, if no proxy is named, the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *me/us on *my/our behalf at the EGM to be held at Singapore EXPO, Hall 1 (APEX), 1 Expo Drive, Singapore 486150 on 18 January 2023 at 2.30 p.m. (Singapore time) and at any adjournment thereof.

No.	Resolution	***For	***Against	***Abstain
1.	The Proposed Acquisition.			

* *Delete accordingly.*

** Appointed proxy(ies) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register via the URL https://www.sats.com.sg/egm to attend the Physical Meeting in person or access the live audio-visual webcast or live audio-only stream of the Virtual Meeting.

*** *Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "**For**" or "**Against**" the above resolution, please indicate with a (√) in the "**For**" or "**Against**" box provided in respect of that resolution. Alternatively, please indicate the number of votes "**For**" or "**Against**" in the "**For**" or "**Against**" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on the above resolution, please indicate with a (√) in the "**Abstain**" box provided in respect of that resolution. Alternatively, please indicate the number of shares your proxy/proxies is directed to abstain from voting in the "**Abstain**" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on the above resolution if no voting instruction is specified, and on any other matter arising at the EGM.*

Dated this __________ day of __________________ 2023

Total Number of Shares Held

Signature(s) of member(s) or Common Seal

Contact Number of member(s)

Email Address of member(s)

Important: Please read notes on the reverse side

Notes:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. **A member who wishes to exercise his/her/its voting rights at the EGM may:**
   (a) (where the member is an individual) vote live via electronic means at the EGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote live via electronic means at the EGM on his/her/its behalf; or
   (b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or
   (b) if submitted electronically, be submitted:
      (i) via email to the Company's Share Registrar at gpe@mncsingapore.com; or
      (ii) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm,
   in each case, not less than 72 hours before the time appointed for holding the EGM.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email can either use the hard copy of the proxy form which is sent to him/her/it by post or download a copy of the proxy form electronically from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before submitting it via email (e.g., by enclosing a completed and signed PDF copy of the proxy form) to the email address provided above. A member may also appoint a proxy(ies) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm.

   Members are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email or appoint a proxy(ies) via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm.
6. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the EGM. A member who attends the Physical Meeting in person or accesses the Virtual Meeting via the live audio-visual webcast of the EGM proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and, in such an event, the Company reserves the right to refuse entry by the proxy(ies) into the Physical Meeting and/or terminate the proxy's(ies') access to the live audio-visual webcast and live audio-only stream of the EGM proceedings.
7. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing, or, if submitted electronically via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm, be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its seal or under the hand of an officer or attorney duly authorised, or, if submitted electronically via the online process through the pre-registration website at the URL https://www.sats.com.sg/egm, be authorised by the appointor via the online process through the website. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
9. "business day" means a day on which commercial banks are open for business in Singapore, other than Saturdays, Sundays, and days which have been gazetted as public holidays in Singapore.

1st line fold along here

2nd line fold along here

3rd fold along this line and glue overleaf. Do not staple.

Please affix postage stamp

The Company Secretary
SATS Ltd.
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

3rd fold along this line and glue overleaf. Do not staple.

3rd fold along this line and glue overleaf. Do not staple.