

## ASSET ACQUISITIONS AND DISPOSALS::ACQUISITION OF SATS BRF FOOD PTE. LTD. (NOW KNOWN AS COUNTRY FOODS PTE. LTD.)

### Issuer & Securities

#### Issuer/ Manager

SATS LTD.

#### Securities

SATS LTD. - SG1I52882764 - S58

#### Stapled Security

No

### Announcement Details

#### Announcement Title

Asset Acquisitions and Disposals

#### Date & Time of Broadcast

05-Sep-2019 19:57:54

#### Status

New

#### Announcement Sub Title

Acquisition of SATS BRF Food Pte. Ltd. (Now Known as Country Foods Pte. Ltd.)

#### Announcement Reference

SG190905OTHRXPL1

#### Submitted By (Co./ Ind. Name)

Low Siew Tian

#### Designation

Assistant Company Secretary

#### Description (Please provide a detailed description of the event in the box below)

Please refer to the attached.

### Attachments

[Announcement%20-%20Acquisition%20of%20SATS%20BRF%20Food%20Pte.%20Ltd..pdf](#)

[Media%20Release%20-%20SATS%20GAINS%20FULL%20OWNERSHIP%20OF%20FOOD%20DISTRIBUTIONJV%20TO%20ACCELERATE%20DIGITAL%20INTEGRATED%20SUPPLY%20CHAIN.pdf](#)

Total size =437K MB



**ACQUISITION OF SATS BRF FOOD PTE. LTD.  
(NOW KNOWN AS COUNTRY FOODS PTE. LTD.)**

**1. Acquisition of SATS BRF Food Pte. Ltd.**

- 1.1 SATS Food Services Pte. Ltd. (previously known as Singapore Food Industries Pte. Ltd.) (“**SFS**”), a wholly-owned subsidiary of SATS Ltd. (“**SATS**” or the “**Company**”) holds a 51% equity interest in SATS BRF Food Pte. Ltd. (“**SATS BRF**”) and BRF GmbH (“**BRF**”) holds the remaining 49% equity interest in SATS BRF. BRF GmbH is a subsidiary of BRF S.A., a Brazilian company listed on the Sao Paulo and New York Stock exchanges.
- 1.2 Pursuant to Rule 704(17)(d) of the Listing Manual, the Board of Directors of SATS wishes to announce that SFS has on 5 September 2019 entered into a sale and purchase agreement (“**Sale and Purchase Agreement**”) with BRF to acquire BRF’s 49% equity interest in SATS BRF for a purchase consideration of SGD17 million (“**Acquisition**”).
- 1.3 The purchase consideration for the Acquisition was arrived at a willing buyer and willing seller basis taking into consideration, the projected future performance of SATS BRF, and will be funded through internal resources and paid in cash.
- 1.4 Completion of the Acquisition has taken place immediately following the signing of the Sale and Purchase Agreement. Accordingly, SATS BRF is now a wholly-owned subsidiary of SFS, and an indirect wholly-owned subsidiary of the Company. SATS BRF has also executed agreements with BRF Global GmbH on the distribution and licensing of brands owned by BRF S.A.
- 1.5 With the completion of the Acquisition, SATS BRF has been renamed to ‘Country Foods Pte. Ltd.’ as SATS invests in its supply chain capabilities across Asia.

**2. Rationale for the Acquisition**

The Company wishes to acquire full control of SATS BRF to add scale to its distribution business and also allow for a quicker establishment of the Company’s centralized procurement and distribution platform which would enable the Company to develop more efficient supply chain practices such as diversified sourcing, consolidated purchases and consolidated distribution to customers and across the SATS Group.

**3. Financial Effects**

Based on SATS BRF’s management accounts as at 31 August 2019, both the book value and net tangible asset value of the 49% acquired equity interest are SGD 20.8 million each.

The Acquisition is not expected to have any material impact on the Company’s net tangible assets per share and consolidated earnings per share for the current financial year.

**4. Interest of Directors and Controlling Shareholders**

- 4.1 Mr Chia Kim Huat, a Non-Executive Independent Director of the Company, is a partner of Rajah & Tann Singapore LLP, which was engaged by the Company to advise on certain aspects of the Acquisition. However, Mr Chia was not involved in providing the advice on the Acquisition.
- 4.2 Save as expressly mentioned in paragraph 4.1 above, none of the Directors or any controlling shareholders of the Company has any interest (whether direct or indirect) in the Acquisition other than through their respective interest (if any) in the Company.

**5. Documents for inspection**

A copy of the Sale and Purchase Agreement will be made available for inspection during normal business hours at the Company's registered office at 20 Airport Boulevard, Singapore 819659 for a period of three months from the date of this announcement.

**BY ORDER OF THE BOARD**

S. Prema  
Company Secretary

5 September 2019  
Singapore



## MEDIA RELEASE

### **SATS GAINS FULL OWNERSHIP OF FOOD DISTRIBUTION JOINT VENTURE TO ACCELERATE DIGITAL INTEGRATED SUPPLY CHAIN**

**Singapore, 5 September 2019** – SATS Ltd. (SATS), Asia’s leading provider of Food Solutions and Gateway Services, today announced that it has acquired the remaining 49% shareholding in joint venture company, SATS BRF Food Pte. Ltd. (SBRF) from BRF GmbH (BRF) for S\$17 million. After the acquisition, SBRF will become a wholly-owned subsidiary of SATS Food Services Pte. Ltd. and be renamed Country Foods Pte. Ltd. (Country Foods).

This acquisition is in line with SATS’ vision to feed and connect Asia, as the company aims to consolidate its leadership position in aviation catering in Asia and become a leading central kitchen supplier to the food service industry in China and India. The foundation for this strategy is a digital integrated supply chain that centralises procurement and distribution to improve food safety, quality, and production efficiency.

Alex Hungate, President and Chief Executive Officer of SATS said, “By taking 100% ownership of our food distribution joint venture company we can accelerate end-to-end traceability of raw materials for our customers, and deploy data analytics to achieve greater efficiency and quality, while reducing food waste.”

The new entity, Country Foods, has also signed an exclusive distribution and licensing agreement with BRF Global GmbH to distribute products and the right to license brands owned by BRF S.A. in Singapore.

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**About SATS Ltd.**

SATS is Asia's leading provider of food solutions and gateway services.

Our food solutions include airline catering as well as central kitchens for food service chains and institutions. Our comprehensive gateway services encompass airfreight handling, passenger services, ramp handling, baggage handling, aviation security services, aircraft interior and exterior cleaning, as well as cruise centre management.

SATS is present in over 60 locations and 13 countries across Asia Pacific and the Middle East.

SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit [www.sats.com.sg](http://www.sats.com.sg).

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