



DEVELOPMENT OF SATS FOOD HUB

1. INTRODUCTION

SATS Ltd. ("**Company**") wishes to announce pursuant to Rule 703(1) of the SGX Mainboard Rules that the Company will be developing the SATS Food Hub, and in relation thereto, has accepted an offer from JTC Corporation ("**JTC**") for a thirty (30) year lease term of a property known as Pte Lot A7008385 at Bulim Lane ("**Property**"), which is located within the Jurong Innovation District ("**Lease**").

2. BRIEF DETAILS OF THE SATS FOOD HUB ("**SFH**")

- 2.1 The Company is currently operating its institutional catering businesses at several JTC-leased premises located at 210, 212 and 234 Pandan Loop (collectively, "**Pandan Loop Properties**"). With the development of the SFH, these operations will be transferred from the Pandan Loop Properties to the SFH.
- 2.2 Apart from housing the institutional catering operations transferred over from the Pandan Loop Properties, the development of the SFH will see advanced food manufacturing with automation and Internet of Things (IoT) deployed to achieve operational efficiency for the business. The SFH will also incorporate an open innovation platform to test-bed new products and services, and provide the channels to commercialise viable food solutions in new markets. The total development costs for the SFH, including equipment, is projected to be approximately S\$150 million.

2. BRIEF DETAILS OF THE LEASE

The Lease is for a period of 30 years commencing on 1 June 2022, subject to confirmation of tenure upon the Company's fulfillment of certain conditions, including satisfying the prescribed declared investment and completing the development and construction of the Property based on a gross plot ratio of 2.0 within the agreed period. Until the receipt by the Company of the abovementioned confirmation of tenure, the Company will be a licensee of the Property. The total land rent for the 30-year Lease is estimated at S\$42.6 million.

3. FINANCIAL EFFECTS

The development of the SFH and the entry by the Company into the Lease are not expected to have a material impact on the consolidated net tangible assets and earnings per share of the SATS Group for the financial year ending 31 March 2022.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the Lease and/or the development of the SFH, other than through their respective shareholdings (if any) in the Company.

Issued by SATS Ltd. on 11 March 2022

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