
SATS completes acquisition stake in China food producer

By **Rick Lundstrom** on July, 23 2019 | Catering



[SATS Ltd.](#) announced last week that it has completed its acquisition of 45% of the shares Nanjing Weizhou Airline Food Corp. (TargetCo) through its wholly owned subsidiary SATS China Co Ltd.

The purchase amounts to has acquired 15,255,000 shares and is the culmination of the May 17 announcement that it would acquire the shares at a cost of SGD\$25.5 million (US\$18.75 million) and another 5% through the subscription of new shares for approximately SGD\$5.7 million (US\$4.2 million) for a 50% stake in the company.

TargetCo is a producer of frozen food, ambient meals and food components to aviation companies. It is located in [Jiangsu Province](#). It has a domestic network of 12 cold storage facilities and distribution channel partners to 80 domestic airports across china.

“This acquisition will enable SATS to tap on TargetCo’s Frozen food development and production capabilities and provide SATS’ with access to strong aviation customers to grow and strengthen SATS’ position in the Chinese aviation market outside of its existing location at Beijing, Daxing, Tianjin and Shenyang airports,” said a May 17 release from SATS.

“Nanjing Weizhou Airline Food Company is a good fit for SATS’ growth strategy in China,” said Alex Hungate, President and Chief Executive Offer of SATS in the May announcement. “They have strong relationships with major airline sand count all four big airline in China as their key customers. We share a similar culture of culinary innovation and process improvements through automation.

“This partnership will allow both parties to unlock synergies to strengthen our core business and expand our customer base to deliver greater efficiencies in distribution, supply chain and procurement in China.”