



## SATS LTD.

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

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### PROPOSED DISPOSAL OF SHARES IN PT CAS AND LOAN SETTLEMENT

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#### 1. INTRODUCTION

- 1.1 Proposed Share Sale.** The Board of Directors (the “**Board**”) of SATS Ltd. (the “**Company**” or “**SATS**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Cemerlang Pte Ltd (“**Cemerlang**”) has on 16 April 2024 entered into a sale and purchase agreement (the “**SPA**”) with PT Roket Cipta Sentosa (the “**Purchaser**” and together with Cemerlang, collectively, the “**SPA Parties**” and each a “**SPA Party**”) pursuant to which Cemerlang has agreed to sell, and the Purchaser has agreed to purchase, 205,630,200 ordinary shares in the capital of PT Cardig Aero Services Tbk (“**PT CAS**” and the ordinary shares, the “**Sale Shares**”), representing 9.85% of the issued share capital of PT CAS (“**Share Sale**”).
- 1.2 Information on the Purchaser.** The Purchaser is a subsidiary of PT Elang Mahkota Teknologi TBK (“**EMTEK**”). EMTEK has been listed on the Indonesia Stock Exchange (IDX) since January 2010 and is one of Indonesia’s largest media groups, although it has been increasing its focus on its digital and healthcare businesses since 2020. EMTEK has successfully expanded into new business sectors over the years. In the healthcare area, EMTEK operates chains of hospitals and specialist clinics. Its other businesses encompass digital financial solutions, including digital banking (through Superbank), e-commerce (through Bukalapak) and digital publishing (through online portals and the Vidio.com online streaming platform).
- 1.3 Proposed Loan Settlement.** On completion of the Share Sale in accordance with the terms of the SPA, the Purchaser will procure the payment of approximately S\$29.1 million<sup>1</sup>, to SATS Airport Services Pte. Ltd. (“**SAS**”) in connection with the settlement of the outstanding loan (the “**DRSC Loan**”) due from DRS Capital Pte. Ltd. (“**DRSC**”) under the Credit Agreement (the “**Credit Agreement**”) dated 25 May 2016 (as amended from time to time, including pursuant to Addendum No. 1 to Credit Agreement dated 7 October 2016) between DRSC as borrower, SAS as lender, and PT Bank DBS Indonesia (the “**Security Agent**”), as security agent (the “**Loan Settlement**”).
- 1.4 Proposed Option Sale.** Cemerlang and the Purchaser have also entered into a Put and Call Share Option Agreement (the “**PCSOA**”) on 16 April 2024 under which:

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<sup>1</sup> Comprising the total principal amount of close to US\$15.0 million (approximately S\$20.1 million) outstanding under the Credit Agreement and a loan restructuring fee of S\$9.0 million (the “**Loan Restructuring Fee**”).

In this Announcement, unless otherwise stated and to the extent applicable, figures in IDR have been converted to S\$ based on an IDR:S\$ exchange rate of IDR11,633:S\$1, and figures in USD have been converted to S\$ based on an US\$:S\$ exchange rate of US\$1:S\$1.344.

SATS Ltd. 新翔集团有限公司

P.O. Box 3 Singapore Changi Airport Singapore 918141

邮政信箱 3 号 新加坡樟宜国际机场 新加坡 918141

[sats.com.sg](http://sats.com.sg)

Co. Reg. No. 197201770G

1.4.1 Cemerlang grants to the Purchaser an irrevocable and unconditional right to purchase 208,695,000 ordinary shares in the capital of PT CAS (the “**Option Shares**” and, together with the Sale Shares, the “**Disposal Shares**”), representing 10% of the issued share capital of PT CAS (the “**Call Option**”); and

1.4.2 the Purchaser grants to Cemerlang an irrevocable and unconditional right to require the Purchaser to purchase the Option Shares (the “**Put Option**”),

(the sale and purchase of the Option Shares, the “**Option Sale**” and, together with the Share Sale and the Loan Settlement, the “**Proposed Transaction**”).

## 2. SHARE SALE AND OPTION SALE

2.1 **Information on PT CAS.** PT CAS is an Indonesian listed holding company that has interests in airport transportation businesses and food businesses. PT CAS’ subsidiaries include: (i) PT Jasa Angkasa Semesta Tbk (“**PT JAS**”), where SATS has a direct shareholding of 49.8% and which provides airfreight handling, ramp handling and passenger services; (ii) PT JAS Aero Engineering Services, which offers aircraft line maintenance and technical ramp services; (iii) PT Purantara Mitra Angkasa Dua, which provides inflight catering solutions; and (iv) PT Cardig Anugrah Sarana Catering, which provides institutional catering services.

### 2.2 Key Terms of Share Sale

2.2.1 **Sale of Sale Shares.** Pursuant to the SPA, the Purchaser shall purchase, and Cemerlang shall sell to the Purchaser, the Sale Shares.

2.2.2 **Share Sale Consideration.** Under the terms of the SPA, the Purchaser will acquire the Sale Shares for an aggregate consideration of IDR168.6 billion (approximately S\$14.5 million) (“**Share Sale Consideration**”). The Share Sale Consideration was arrived at on a willing-buyer and willing-seller basis and determined after taking into account, *inter alia*, the strategy and rationale of the Proposed Transaction and the financial performance and financial position of PT CAS.

2.2.3 **Conditions Precedent.** Under the terms of the SPA, completion of the Share Sale is subject to, amongst others, the following conditions precedent (the “**SPA Conditions**”):

- (i) the Purchaser having delivered to Cemerlang evidence of sufficient funds to fulfil its obligations pursuant to the sale and purchase agreement dated 15 March 2024 between the Purchaser, PT Cardig Asset Management (“**CAM**”) and PT Dinamika Raya Swarna (“**DRS**”) (the “**CAM/DRS SPA**”) and the SPA, at least two Business Days (being days (other than a Saturday or Sunday or gazetted public holiday) on which banks are open for general business in both Jakarta and Singapore) before the scheduled completion date of the CAM/DRS SPA;
- (ii) the Purchaser having completed the CAM/DRS SPA in accordance with the terms and conditions set out in the CAM/DRS SPA;
- (iii) Cemerlang having received confirmation from Cemerlang’s bank that the relevant valid irrevocable electronic transfer instruction confirmation in the form

of MT-103 for the payment of close to US\$15.0 million (approximately S\$20.1 million) as repayment of the principal amount due under the DRSC Loan has been sighted at and/or received in Cemerlang's beneficiary correspondent bank;

- (iv) Cemerlang having procured the issuance by SAS of a written conditional waiver of any unpaid interest and penalty due under the DRSC Loan; and
- (v) Cemerlang having delivered or caused to be delivered to the Purchaser, a copy of the duly executed board resolutions in writing (or minutes of such meetings) of Cemerlang and of SATS, certified as a true copy by a director or the company secretary of Cemerlang or SATS (as relevant), approving Cemerlang's entry into and performance of its obligations under the SPA and any other corporate action necessary to give effect to the actions contemplated under the SPA and the PCSOA.

**2.2.4 Completion.** Completion of the Share Sale ("**SPA Completion**") will take place as soon as practicable (including, for the avoidance of doubt, on the date of SPA Completion itself) and in any event no later than the next Business Day following satisfaction, or (if capable of waiver) waiver, of all the SPA Conditions (it being understood that certain SPA Conditions can be satisfied on the date of SPA Completion itself), or at such other time as Cemerlang and the Purchaser shall agree (the "**SPA Completion Date**").

**2.2.5 Failure to satisfy SPA Conditions.** If one or more of the SPA Conditions:

- (i) remains unsatisfied on 31 May 2024 (which may be extended on a monthly basis unilaterally by the Purchaser by issuing a notice in writing to Cemerlang as long as PT CAS has not released its pledge over the shares of CAM in PT CAS) or such other date as the SPA Parties may agree in writing (the "**Longstop Date**") and has not been waived on or before that date; or
- (ii) becomes impossible to satisfy on or before the Longstop Date and, if it is a SPA Condition which can be waived, has not been waived within five Business Days of such SPA Condition becoming impossible to satisfy,

the SPA Party who is not responsible for satisfying the SPA Condition may give notice to the other SPA Party that it wishes to terminate the SPA.

## **2.3 Key Terms of Loan Settlement**

On completion of the CAM/DRS SPA in accordance with the terms set out thereunder, the Purchaser will procure the payment of approximately S\$29.1 million<sup>2</sup> to SAS in connection with the settlement of the DRSC Loan and receipt by SAS of such amount shall constitute a valid settlement of the outstanding obligations under the Credit Agreement, the pledge agreement dated 25 May 2016 (as amended by two addenda dated 7 October 2016 and 12 May 2017) entered into by CAM, on the one hand, and the Security Agent, on the other hand, as well as

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<sup>2</sup> Comprising the total principal amount of close to US\$15.0 million (approximately S\$20.1 million) outstanding under the Credit Agreement and a Loan Restructuring Fee of S\$9.0 million.

the pledge agreement dated 25 May 2016 entered into by DRS, on the one hand, and the Security Agent, on the other hand, in relation to the pledges over the 237,534,820 shares in PT CAS owned by CAM and the 366,587,032 shares in PT CAS owned by DRS respectively.

## **2.4 Key Terms of Call Option and Put Option.**

**2.4.1 Call Option Price and Put Option Price.** Under the terms of the PCSOA:

- (i) where the Call Option is exercised, Cemerlang shall be required to sell the Option Shares to the Purchaser for IDR253.4 billion (approximately S\$21.8 million) ("**Call Option Price**"); and
- (ii) where the Put Option is exercised, the Purchaser shall be required to purchase the Option Shares from the Purchaser for IDR171.1 billion (approximately S\$14.7 million) ("**Put Option Price**").

The Call Option Price and the Put Option Price were arrived at on a willing-buyer and willing-seller basis and determined after taking into account, *inter alia*, the strategy and rationale of the Proposed Transaction and the financial performance and financial position of PT CAS.

**2.4.2 Exercise of Options.** The Call Option and Put Option may only be exercised during the period ("**Option Period**") commencing on the earlier of:

- (i) the date falling one month following the date of settlement of purchase of shares under the mandatory tender offer carried out by the Purchaser in relation to PT CAS following SPA Completion; and
- (ii) the date falling three months following the SPA Completion Date,

and ending on the date falling one year from the commencement date of the Option Period, and the Call Option and Put Option shall lapse if they are not exercised before the expiry of the Option Period.

**2.4.3 Option Completion.** Following the exercise of the Call Option or Put Option, as the case may be, in accordance with the PCSOA, completion of the Option Sale shall take place on the fifth Business Day following the service of an Option Notice (being a notice in the form attached to the PCSOA exercising either the Call Option or the Put Option pursuant to the PCSOA) in accordance with the PCSOA, or any other date mutually agreed by Cemerlang and the Purchaser in writing.

## **2.5 Rationale for the Proposed Transaction.**

**2.5.1** The Proposed Transaction allows SATS to reposition with a reputable new partner in Indonesia who could leverage its strong local network to enhance SATS' existing core gateway operations and potentially collaborate with their existing businesses in Indonesia. Meanwhile, PT JAS continues to be held by PT CAS, and this remains an important part of SATS global gateway network.

**2.5.2** In addition, the Loan Settlement would enable SATS to recover the DRSC Loan.

**2.5.3** Furthermore, the Proposed Transaction provides SATS with financial flexibility by bolstering its balance sheet and is in line with the Group's financial priorities to repay debt, reinvest in the business, and resume dividend distribution to its shareholders. It is also in line with the Company's strategic objectives to optimise its investment portfolio and unlock value for its stakeholders.

**2.6 Information on the Sale Shares and Option Shares.** Based on the unaudited financial information of PT CAS and the Group for the half year ended 30 September 2023 ("**1H2024**"):

**2.6.1** the book value attributable to the Sale Shares and the Option Shares is S\$20.7 million and S\$21.0 million respectively, as at 30 September 2023;

**2.6.2** the net tangible asset ("**NTA**") value attributable to the Sale Shares and the Option Shares is S\$20.7 million and S\$21.0 million respectively, as at 30 September 2023; and

**2.6.3** the net profits attributable to the Sale Shares and the Option Shares is S\$0.6 million and S\$0.6 million respectively, for 1H2024.

**2.7 Financial Effects of the Share Sale and Option Sale**

The financial effects of the Share Sale and the Option Sale prepared on a proforma basis on the audited consolidated financial statements for financial year ended 31 March 2023 ("**FY23**") and on the assumption that:

**2.7.1** the Share Sale will result in net proceeds of approximately IDR168.4 billion (approximately S\$14.5 million) net of applicable tax; and

**2.7.2** the Option Sale will result in net proceeds of approximately:

(i) if the Call Option is exercised, IDR253.1 billion (approximately S\$21.8 million) net of applicable tax; or

(ii) if the Put Option is exercised, IDR171.0 billion (approximately S\$14.7 million) net of applicable tax,

respectively are set out below. The financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position of the Group after completion of the Proposed Transaction.

**2.7.3 Net Tangible Assets**

The financial effect of the Share Sale and the Option Sale on the NTA per share of the Group for FY23 assuming that the Proposed Transaction had been effected as at 31 March 2023 is as follows:

	Before the Proposed Transaction	<u>Proforma</u> After the Proposed Transaction <sup>3</sup>		
		Neither Call Option nor Put Option is Exercised	Call Option is Exercised	Put Option is Exercised
NTA (S\$ million)	1,806.4	1,800.6	1,801.8	1,794.8
Number of issued shares, excluding treasury shares (million)	1,487.3	1,487.3	1,487.3	1,487.3
NTA per share (cents)	121.5	121.1	121.1	120.7

#### 2.7.4 Earnings Per Share (“EPS”)

The financial effect of the Share Sale and the Option Sale on the EPS of the Group for FY23 assuming that the Proposed Transaction had been effected as at 1 April 2022 is as follows:

	Before the Proposed Transaction	<u>Proforma</u> After the Proposed Transaction <sup>4</sup>		
		Neither Call Option nor Put Option is Exercised	Call Option is Exercised	Put Option is Exercised
Profit/(Loss) attributable to Shareholders (S\$ million)	(26.5)	(27.1)	(27.7)	(27.7)
Weighted average number of ordinary shares in issue (million)	1,192.6	1,192.6	1,192.6	1,192.6
EPS (cents) - basic	(2.2)	(2.3)	(2.3)	(2.3)

<sup>3</sup> Excluding the one-off gain / loss from the Proposed Transaction and net proceeds from the Loan Settlement.

<sup>4</sup> Excluding the impact of one-off gain / loss from the Proposed Transaction.

### 2.7.5 Proceeds and Use of Proceeds

The Group intends to apply the net proceeds from the Share Sale and, if applicable, Option Sale as well as the proceeds from the Loan Settlement to deleverage and / or expand the Group's existing core business.

### 2.7.6 Gain and Loss on Proposed Transaction

Based on the estimated net proceeds from the Share Sale and the Option Sale set out in paragraphs 2.7.1 and 2.7.2 above, the Loan Settlement set out in paragraph 2.3 above and assuming the unaudited estimated carrying values of the Sale Shares, the Option Shares and the DRSC Loan attributable to the Group's net asset value close to the estimated date of SPA Completion, the Proposed Transaction (including the Loan Settlement) is estimated to result in:

- (i) if neither the Call Option nor the Put Option is exercised, a total gain of S\$9.4 million from the relevant proceeds over the said estimated carrying values;
- (ii) if the Call Option is exercised, a gain of S\$3.7 million from the proceeds over the said estimated carrying values; and
- (iii) if the Put Option is exercised, a loss of S\$3.4 million from the relevant proceeds over the said estimated carrying values.

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

**2.9 Interests of Directors And Substantial Shareholders.** To the best of the knowledge of the Board: (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 Transaction; and (ii) there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Proposed Transaction.

## 3. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

**3.1 Relative Figures.** The relative figures for the Share Sale and the Option Sale computed on the relevant bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%) <sup>(11)</sup>
(a)	The net asset value of Disposal Shares <sup>(1)</sup> , compared with the net asset value of the Group <sup>(2)</sup>	1.7%
(b)	The net profits <sup>(3)</sup> attributable to the Disposal Shares, compared with the net profits of the Group <sup>(4)</sup>	14.8%

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)<sup>(11)</sup></b>
(c)	The aggregate value of the Share Sale Consideration, the Call Option Price <sup>(5)</sup> and the Loan Restructuring Fee <sup>(6)</sup> , compared with the Company's market capitalisation based on the total number of shares in the capital of the Company (" <b>Company Shares</b> ") (excluding treasury shares) <sup>(7)</sup>	1.2%
	The aggregate value of the Share Sale Consideration, the Put Option Price <sup>(8)</sup> and the Loan Restructuring Fee, compared with the Company's market capitalisation based on the total number of Company Shares (excluding treasury shares)	1.0%
(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 <sup>(9)</sup>	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves <sup>(10)</sup>	Not applicable

**Notes:**

- (1) The relative figure is computed based on the combined net asset value attributable to the Sale Shares and Option Shares as at 30 September 2023 of approximately S\$41.7 million.
- (2) The relative figure is computed based on the net asset value of the Group as at 30 September 2023 of approximately S\$2.5 billion. The net asset value is computed as total assets minus total liabilities.
- (3) The relative figure is computed based on combined net profits attributable to the Sale Shares and Option Shares of S\$1.2 million for 1H2024.
- (4) The relative figure is computed based on net profits of the Group of S\$8.4 million for 1H2024. Net profit is defined as profit including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (5) The relative figures are computed based on a Share Sale Consideration of IDR168.6 billion (approximately S\$14.5 million) and a Call Option Price of IDR253.4 billion (approximately S\$21.8 million).
- (6) While the Loan Restructuring Fee of S\$9.0 million is not a part of either the Share Sale Consideration or the Call Option Price/Put Option Price, the Company has elected to include the same in the computation of the relative figure for Shareholders' consideration. If the Loan Restructuring Fee is excluded from the computation, the relative figure would be: (i) 1.0% (if the Call Option is exercised); or (ii) 0.8% (if the Put Option is exercised)
- (7) Market capitalisation has been calculated on the basis of 1,490,631,266 Shares in issue as at 15 April 2024 (excluding treasury shares), being the last market day preceding the date of this Announcement, multiplied by the volume weighted average price of the Shares transacted on the SGX-ST on the full market day immediately prior to the date of this Announcement, being S\$2.52.
- (8) The relative figures are computed based on a Share Sale Consideration of IDR168.6 billion (approximately S\$14.5 million) and a Put Option Price of IDR171.1 billion (approximately S\$14.7 million).
- (9) Rule 1006(d) of the Listing Manual is not applicable as there is no acquisition being proposed.



(10) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil or gas company.

(11) Any discrepancies between the figures in these notes to the table and the relative figures set out in the table are due to rounding to the nearest one decimal place.

#### **4. FURTHER INFORMATION**

A copy of the SPA and the PCSOA will be made available for inspection during normal business hours at the registered office of the Company for three months from the date of this Announcement.

#### **5. RESPONSIBILITY STATEMENT**

The directors of the Company (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to the Purchaser and EMTEK, including in this Announcement (the “**Third Party Information**”)) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to the Third Party Information) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Purchaser and EMTEK (including the Third Party Information), the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the Company do not accept any responsibility for any information relating to the Third Party Information or any information obtained from the Purchaser and EMTEK.

**For and on behalf of the Board  
SATS Ltd.**

Ian Chye  
Company Secretary

16 April 2024  
Singapore