



## JOINT VENTURE AMONGST SINGAPORE AIRLINES, SATS AND DFASS

SATS Ltd. (“**SATS**” or the “**Company**”) wishes to announce that it has entered into a non-binding Points of Agreement with Singapore Airlines Limited (“**SIA**”) and DFASS (Singapore) Pte. Ltd. (“**DFASS**”) for SIA to subscribe for a 70% equity stake in DFASS SATS Pte. Ltd. (“the **Transaction**”).

DFASS SATS Pte. Ltd. (“the **Target**”) is a Singapore incorporated joint venture company, that is currently owned in equal shares by DFASS and SATS Asia-Pacific Star Pte. Ltd. (“**APS**”), a wholly-owned subsidiary of SATS, which engages in travel-related retail business offering inflight and ground-based duty-free and duty-paid goods, as well as mail order and pre-order services.

Under the terms of the Points of Agreement, the Transaction is subject to satisfactory due diligence, conditions precedent being satisfied or waived, necessary approvals being obtained and the execution of a joint venture agreement and other definitive agreements to be entered into amongst the parties. Upon completion of the Transaction, each of DFASS and APS will hold 15% of the share capital of the Target.

Under the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), Temasek Holdings (Private) Limited (“**Temasek**”) is deemed to be a “controlling shareholder” of SATS and SIA, given that Temasek holds, directly or indirectly, at least 15% of the total number of issued shares (excluding treasury shares) in each of SATS and SIA. Therefore, SIA is considered an “associate” (as defined in the Listing Manual) of Temasek, and the Transaction is an “interested person transaction” vis-à-vis SATS for the purposes of Chapter 9 of the Listing Manual.

### **Rationale**

By bringing together the SIA Group’s customer base of about 30 million passengers annually, the SIA Group’s KrisFlyer programme, the airport and logistics expertise of SATS and the extensive supplier network of DFASS together, the proposed joint venture will be able to build a valuable business over time by offering targeted products and services that will improve the travel experience for passengers.

### **Financial Effects**

The Transaction is not expected to exceed 5% of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual.

The Transaction is not expected to have any material impact on the financial performance, net tangible assets per share and earnings per share of the Company for the current financial year.

**Interest of Directors and Controlling Shareholder**

Save as disclosed in this announcement, none of the directors or controlling shareholder of the Company have any interest, direct or indirect, in the Transaction, other than their interests in the Company and in SIA.

**Caution in Trading**

Shareholders and potential investors are advised to exercise caution when trading in the Company's shares as the Points of Agreement is non-binding and there is no certainty or assurance as at the date of this announcement that the Transaction will proceed or that no changes will be made to the terms thereof.

The Company will make the necessary announcements at the appropriate juncture as required under the Listing Manual. Shareholders and potential investors who have any doubts should consult their legal, financial, tax or other professional advisers.

**BY ORDER OF THE BOARD**

S. Prema  
Company Secretary

8 March 2018