



## DIVESTMENT OF 17.8% STAKE IN INTERNATIONAL AIRPORT CLEANING CO., LTD.

### 1. Introduction

The Board of Directors ("**Board**") of SATS Ltd. (the "**Company**") wishes to announce that the Company's subsidiary, TFK Corporation has signed a Share Transfer Agreement ("**STA**") on 15 June 2016 to sell its 3,200 shares, which represent a 17.8% stake with voting rights of 27.6% in International Airport Cleaning Co., Ltd. ("**IAC**") for the sum of Japanese Yen ("**JPY**")16,793,600 (which is equivalent to approximately S\$214,724<sup>1</sup>) to Tokyo Airport Service Co., Ltd. ("**Proposed Divestment**").

### 2. Principal Terms of the Proposed Divestment

- (a) Pursuant to the STA, the total price of the Proposed Divestment is JPY16,793,600 (equivalent to approximately S\$214,724<sup>2</sup>) ("**Consideration**"). The Consideration which was paid in cash was arrived at on a willing buyer willing seller basis after taking into account the financial position and business prospects of IAC.
- (b) As at 31 March 2016, the audited net tangible asset value attributable to the Proposed Divestment showed a value of JPY30,890,328 (equivalent to approximately S\$394,966). The sale price of JPY5,248 per share is derived based on a comparable market study conducted for IAC and has taken into consideration the guideline provided by the Japanese national tax agency.
- (c) The Proposed Divestment was completed with the execution of the STA and with effect from 16 June 2016, IAC shall cease to be an associate company of TFK Corporation.

### 3. Rationale for the Proposed Divestment

IAC is a dormant company and the Proposed Divestment will help to streamline TFK Corporation as it continues to improve its performance.

### 4. Financial Effects of the Proposed Divestment

The Proposed Divestment 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.

---

<sup>1</sup> The illustrative exchange rate used in this announcement is S\$1: JPY78.21 as at 15 June 2016. This illustrative exchange rate is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.

<sup>2</sup> As above

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

None of the Directors nor any controlling shareholder of the Company has any interest (whether direct or indirect) in the Proposed Divestment other than through their respective interests (if any) in the Company.

**BY ORDER OF THE BOARD**

S Prema  
Company Secretary

15 June 2016