



DILUTION OF SATS' SHAREHOLDING IN BEIJING AIRPORT INFLIGHT KITCHEN LIMITED

1. INTRODUCTION

SATS Ltd. ("**SATS**" or the "**Company**") wishes to confirm that the Chinese regulatory authority has approved the transaction that was previously announced on 16 February 2012, whereby Eastern Air Catering Investment Co. Ltd. (a sister company of China Eastern Airlines Corporation Ltd) and China Southern Airlines Company Limited would become new shareholders in Beijing Airport Inflight Kitchen Limited ("**BAIK**").

2. DILUTION OF SHAREHOLDING

Specifically, the authority has approved the sale of shares by Capital Airports Holding Company Limited to the two new shareholders as well as the injection of new capital by the two new shareholders (collectively, the "**Transaction**"). With effect from 8 April 2016, SATS' shareholding in BAIK has been diluted from 40% to 28% as a result of the Transaction. The new shareholding structure of BAIK is as follows:

Shareholders in BAIK	Percentage equity stake before the Transaction	Percentage equity stake after the Transaction
China Southern Airlines Company Limited	0%	30%
Eastern Air Catering Investment Co. Ltd.	0%	30%
SATS Ltd.	40%	28%
Capital Airports Holding Company	60%	12%

3. FINANCIAL EFFECT

The Transaction 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.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

BY ORDER OF THE BOARD

S. Prema
Company Secretary

Singapore, 1 June 2016

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