



EXECUTION OF SALE AND PURCHASE AGREEMENT IN RELATION TO FOOD AND ALLIED SUPPORT SERVICES CORPORATION PTE. LTD.

1. Introduction

The Board of Directors ("**Board**") of SATS Ltd. ("**Company**") wishes to announce pursuant to Rule 704(18)(c) of the Listing Manual that the Company's wholly-owned subsidiary, SATS Investments Pte. Ltd. ("**SIPL**"), has today executed a conditional Sale and Purchase Agreement ("**SPA**") with Planet Foods Pte. Ltd. ("**Planet**") in relation to the sale of 51% of the issued shares in the capital of Food and Allied Support Services Corporation Pte. Ltd. ("**FASSCO**") by SIPL to Planet ("**Proposed Transaction**").

2. Principal Terms of the Proposed Transaction

- 2.1 Pursuant to the SPA, Planet shall purchase 2,805,000 ordinary shares in the share capital of FASSCO, representing 51% of the total issued and fully paid up share capital of FASSCO ("**Sale Shares**"), for a cash consideration of S\$1,020,000.00 ("**Consideration**").
- 2.2 Completion of the Proposed Transaction is subject to the fulfilment of certain conditions precedent. The Consideration was arrived at on an arm's length and willing buyer-willing seller basis.
- 2.3 Upon completion of the Proposed Transaction, FASSCO shall cease to be a subsidiary of SIPL, and an indirect subsidiary of the Company.

3. Rationale

The Company is focussing all resources on executing its strategy to consolidate its leadership in airline catering and ground handling, and to supply the growing food service chains in Asia's large cities. The Proposed Transaction is a disposal of a business that is not in line with this strategy.

4. Financial Effects of the Proposed Transaction

The carrying value of the Sale Shares is not material, and hence 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.

5. Interest of Directors and Controlling Shareholders

None of the Directors or any controlling shareholders of the Company has any interest (whether direct or indirect) in the Proposed Transaction other than through their respective interest (if any) in the Company.

6. Documents for Inspection

Copies of the SPA will be made available for inspection during normal business hours at the Company's registered office at 20 Airport Boulevard, Singapore 819659 for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

S. Prema
Company Secretary
9 July 2019
Singapore