



MEDIA RELEASE

SATS PARTNERS WITH HONG KONG AIRLINES IN HONG KONG HUB

- Hong Kong Airlines to engage SATS HK and AAT at its Hong Kong hub for ramp and cargo handling services respectively
- SATS sells a 51% and a 4% stake in SATS HK and AAT to Hong Kong Airlines respectively

Singapore, 17 March 2017 – SATS Ltd. (SATS) today announced that Hong Kong Airlines Limited (Hong Kong Airlines) – the second base carrier at HKIA – is to engage SATS HK Limited (SATS HK) and Asia Airfreight Terminal Company Limited (AAT) to handle ramp and cargo services respectively.

At the same time, SATS has entered into sale and share purchase agreements with Hong Kong Airlines, through the airline's wholly-owned subsidiaries Voltaire Capital Investment Limited (VCIL) and Holistic Capital Investment Limited (HCIL). These agreements are in relation to the sale of issued shares of SATS' wholly-owned subsidiary SATS HK and associate AAT. SATS HK provides ramp and passenger handling services at HKIA, while AAT provides cargo handling services.

SATS will be divesting a 51% stake in SATS HK to VCIL. SATS HK will capitalise existing loans from SATS to pay for new shares. These shares will be issued to SATS. After which, SATS will sell to VCIL 51% of the enlarged issued share capital of SATS HK at a sale consideration of HKD\$76.5 million (approximately S\$13.8 million), to be satisfied in cash. With this sale, SATS will now hold a 49% shareholding in SATS HK.

SATS will also be selling 4% of the issued shares of AAT to HCIL, at a sale consideration of HKD\$100 million (approximately S\$18.1 million), to be satisfied in cash. In addition, other shareholders of AAT have also entered into similar sale and share purchase agreements to sell a total of 31% of their shareholding in AAT. Upon completion of the agreements, SATS will remain the largest shareholder with a 45% stake in AAT while HCIL will become the second largest shareholder with 35% shareholding. The third shareholder Eastern Option Limited will continue to hold its existing 20% stake in AAT.



“We welcome this partnership with Hong Kong Airlines. With the injection of their large base load at their Hong Kong hub, SATS HK and AAT will be able to improve the utilisation of their facilities and enjoy better operating leverage. The increased scale will improve service and connectivity for all our customers in Hong Kong. This initiative reflects our agility and ability to adapt and grow in a challenging operating environment,” said Alex Hungate, President and Chief Executive Officer, SATS.

The completion of the transactions is subject to the fulfilment of certain conditions precedent including the finalisation and execution of the ramp and cargo services agreements with Hong Kong Airlines. The transactions are not expected to have any material impact on SATS’ net tangible assets per share and consolidated earnings per share for the current financial year.

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About SATS Ltd.

SATS is Asia’s leading provider of Gateway Services and Food Solutions.

Our comprehensive Gateway Services encompass airfreight handling, passenger services, ramp handling, baggage handling, aviation security services, aircraft interior and exterior cleaning as well as cruise centre management. Our Food Solutions include airline catering, institutional and remote catering, aviation laundry as well as food distribution and logistics.

SATS is present in 47 airports, 53 cities and 14 countries across Asia and the Middle East.

SATS has been listed on the Singapore Exchange since May 2000. For more information, please visit www.sats.com.sg.

Media Contact:

Carolyn Khiu

Vice President, Public Affairs & Branding

SATS

DID: (65) 6541 8200

HP: (65) 9674 2737

Email: Carolyn_KhiuLW@sats.com.sg