



PROPOSED JOINT VENTURE FOR INFLIGHT, RETAIL AND MAIL ORDER SALES OF DUTY FREE PRODUCTS

The Board of Directors (the “**Board**”) of SATS Ltd. (“**the Company**” or “**SATS**”) is pleased to announce that its wholly-owned subsidiary, Asia-Pacific Star Private Limited (“**APS**”) has today entered into a joint venture agreement (the “**Joint Venture Agreement**”) with DFASS (Singapore) Pte. Ltd. (“**DFASS**”), to set up a company in Singapore (the “**JVCO**”) to carry on the business of providing inflight duty-free / duty-paid sales and concessions, mail order and pre-order sales, supplying of liquors for inflight pouring services and operating ground-based duty free and/or duty paid retail sales in Singapore (the “**Transaction**”).

The JVCO will be named “DFASS SATS Pte. Ltd.” with APS and DFASS each holding 50% equity stake. Completion of the Transaction is subject to the fulfillment of certain conditions precedent (“**Completion**”).

Under the terms of the Joint Venture Agreement, DFASS will transfer to the JVCO certain assets (comprising, *inter alia*, merchandise inventories and Point of Sale devices) (the “**DFASS Assets**”) in exchange for ordinary shares in the capital of the JVCO. APS will inject about S\$11.4 million (Singapore Dollars Eleven Million and Four Hundred Thousand) in cash in exchange for ordinary shares in the JVCO subject to the valuation of the DFASS Assets by an independent valuer prior to Completion.

The Transaction is not expected to have any material impact on SATS’ net tangible assets per share and consolidated earnings per share for the current financial year.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, other than through their respective interests (if any) in the Company.

A copy of the Joint Venture Agreement is available for inspection by shareholders of SATS during normal business hours at the registered office of SATS at 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659 for a period of three months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

S. Prema
Company Secretary

21 January 2016
Singapore

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