



## PROPOSED SUBSCRIPTION OF 20% SHAREHOLDING IN PURANTARA MITRA ANGKASA DUA

### 1. Introduction

The Board of Directors ("**Board**") of SATS Ltd. (the "**Company**") wishes to announce that its wholly owned subsidiary, SATS Catering Pte Ltd has signed a Share Subscription Agreement ("**SSA**") on 25 May 2016 with Purantara Mitra Angkasa Dua ("**PMAD**") to subscribe for 897,297 Series D shares in PMAD with a par value of IDR124,765 (equivalent to approximately S\$12.63<sup>1</sup>) representing 20% of the enlarged issued and paid up capital of PMAD ("**Proposed Subscription**").

### 2. Principal Terms of the Proposed Subscription

- (a) Pursuant to the SSA the total subscription price of the Proposed Subscription is IDR111,951,260,205 (one hundred and eleven billion, nine hundred and fifty one million, two hundred and sixty thousand two hundred and five Indonesian Rupiah (equivalent to approximately S\$11.3 million<sup>2</sup>) ("**Consideration**"). The Consideration was arrived at on a willing buyer willing seller basis after taking into account the financial position and business prospects of PMAD.
- (b) As at 31 March 2016, the unaudited book value and net tangible asset value attributable to the Proposed Subscription showed negative values of IDR 2.307 billion (equivalent to approximately S\$0.23 million) each.
- (c) The Proposed Subscription is subject to certain conditions precedent being fulfilled by the parties, including without limitation the obtaining of relevant third party and regulatory authority consents and waivers. Under the SSA, completion shall take place on a date that is three (3) business days (or such other date mutually agreed in writing) after the date on which the last of the conditions precedents have been fulfilled (or otherwise waived. The SSA also contains certain post-completion obligations, warranties, indemnities, termination, limitation of liability and other customary provisions.

### 3. Rationale for the Proposed Acquisition

The Proposed Subscription is in line with the Company's strategy of growing the scale of its food business and enhancing its connectivity to better serve its customers across key airports in the ASEAN region. The Proposed Subscription presents a strategic window to invest directly in PMAD which will complement the inflight catering business of the Company. This investment will further strengthen the Company's foothold in Indonesia and is in addition to the investments the Company currently has in PT Cardig Aero Services Tbk and PT Jasa Angkasa Semesta.

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<sup>1</sup> The illustrative exchange rate used in this announcement is S\$1 : IDR 9,875 as at 25 May 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

**4. Financial Effects of the Proposed Subscription**

The Proposed Subscription 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 nor any controlling shareholder of the Company has any interest (whether direct or indirect) in the Proposed Subscription other than through their respective interests (if any) in the Company.

**6. Documents for Inspection**

A copy of the SSA is available for inspection at the Company's registered office at 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659 during normal business hours for a period of three (3) months from the date of this announcement.

**BY ORDER OF THE BOARD**

S. Prema  
Company Secretary

25 May 2016