



UPDATE ON THE JOINT VENTURES WITH AIRASIA BERHAD

The Board of Directors ("**Board**") of SATS Ltd. ("**Company**") is pleased to issue this update as follows:-

1. SATS Ground Services Singapore Pte. Ltd. ("**SGS Singapore**") is a wholly owned subsidiary of the Company providing ground handling services to a number of airlines operating at Changi Airport's new Terminal 4 in Singapore.
2. Ground Team Red Sdn. Bhd ("**GTR**"), a wholly owned subsidiary of AirAsia Berhad ("**AirAsia**"), is a ground handling company operating at 15 airports across Malaysia.
3. Upon the completion of the Share Swap Agreement and the SSA referred to below, the Company will effectively hold a 60% equity stake in SGS Singapore and a 49% equity stake in GTR.
4. On 30 October 2017, the Company had announced the proposed joint ventures with AirAsia which referred to:-
 - (a) a share swap agreement with Ground Team Red Holdings Sdn Bhd ("**GTRH**") to sell an 80% equity stake in SGS Singapore to GTRH in return for an 11.4% equity stake in GTRH (the "**Share Swap Agreement**"); and
 - (b) a share sale agreement with AirAsia to acquire from AirAsia a 38.6% equity stake in GTRH (the "**SSA**") for a consideration of Singapore Dollars One Hundred and Nineteen Million and Three Hundred Thousand only (SGD119,300,000).
5. The Board is pleased to announce the completion of the Share Swap Agreement on 4 January 2018. In relation thereto, the Company's 80% equity stake in SGS Singapore has been transferred to GTRH, and the Company has acquired an 11.4% equity stake in GTRH. Accordingly, the Company has been entered in the register of members of GTRH in respect of the said 11.4% equity stake.
6. The Board also wishes to announce that completion of the SSA has commenced in accordance with the terms and conditions set out therein, and the Company is expected to be entered in the register of members of GTRH in respect of the 38.6% equity stake in GTRH in due course pending administrative filings. The Board will provide shareholders with an update once the Company is so entered in the register of members of GTRH.

BY ORDER OF THE BOARD

S. Prema
Company Secretary

4 January 2018

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