



## EXECUTION OF TWO JOINT VENTURE AGREEMENTS IN RELATION TO TWO NEW COMPANIES TO BE INCORPORATED IN BEIJING, CHINA

### 1. Introduction

The Board of Directors (the “**Board**”) of SATS Ltd. (the “**Company**” or “**SATS**”) wishes to announce pursuant to Rule 704(17)(c) of the Listing Manual that the Company has on 24 January 2019 entered into:

- (a) a joint venture agreement with Capital Airports Holding Company Limited (“**CAH**”) to incorporate a company (“**Daxing Ground Handling JVCO**”) in Beijing, China to provide ground and cargo handling and other related services at Beijing Daxing International Airport (the “**Daxing Ground Handling JVA**”); and
- (b) a joint venture agreement with CAH and Juneyao Airlines Co., Ltd. (“**Juneyao**”) to incorporate a company (“**Daxing Catering JVCO**”) in Beijing, China to provide inflight catering and other related services at Beijing Daxing International Airport (the “**Daxing Catering JVA**”),

collectively the “**Transactions**”.

### 2. Business Activities of Daxing Ground Handling JVCO and Daxing Catering JVCO

- 2.1 The primary business of Daxing Ground Handling JVCO will be to carry on the business of ground and cargo handling at Beijing Daxing International Airport.
- 2.2 The primary business of Daxing Catering JVCO will be to carry on the business of inflight catering at Beijing Daxing International Airport.

### 3. Principal Terms of the Agreements

- 3.1 The principal terms of the Daxing Ground Handling JVA and the Daxing Catering JVA are as follows:

	<b>Daxing Ground Handling JVA</b>	<b>Daxing Catering JVA</b>
Total Registered Capital	RMB 265,770,000 (approximately S\$53.3 million <sup>1</sup> )	RMB 300,000,000 (approximately S\$60.1 million)
Shareholding Proportion	<ul style="list-style-type: none"><li>• CAH: 60%</li><li>• SATS: 40%</li></ul>	<ul style="list-style-type: none"><li>• CAH: 80%</li><li>• Juneyao: 10%</li><li>• SATS: 10%</li></ul>

<sup>1</sup> The exchange rate used in this announcement is S\$1 : RMB 4.99, which 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.

Capital to be subscribed by SATS	RMB 106,308,000 (approximately S\$21.3 million), representing SATS' 40% equity interest in Daxing Ground Handling JVCO	RMB 30,000,000 (approximately S\$6.0 million), representing SATS' 10% equity interest in Daxing Catering JVCO
Time of injection	Shareholders shall inject their respective subscribed capitals within 1 month of the incorporation of Daxing Ground Handling JVCO	Shareholders shall inject their respective subscribed capitals within 1 month of the incorporation of Daxing Catering JVCO

3.2 The proposed registered capital and contribution timelines were arrived at based on the projected business needs and working capital requirements of Daxing Ground Handling JVCO and Daxing Catering JVCO.

#### 4. Financial Effects of the Transactions

4.1 The consideration for the Company's subscription of RMB 106,308,000 (approximately S\$21.3 million) for Daxing Ground Handling JVCO and the Company's subscription of RMB 30,000,000 (approximately S\$6.0 million) for Daxing Catering JVCO will be funded through internal resources and paid in cash.

4.2 As Daxing Ground Handling JVCO and Daxing Catering JVCO shall be newly incorporated entities, no valuation has been conducted and the Transactions are 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 Transactions other than through their respective interest (if any) in the Company.

#### BY ORDER OF THE BOARD

S. Prema  
Company Secretary

24 January 2019  
Singapore