



## DIVESTMENT OF 100% STAKE IN TOKYO FLIGHT KITCHEN RESTAURANTES LTDA.

### 1. Introduction

The Board of Directors ("**Board**") of SATS Ltd. ("**Company**") wishes to announce pursuant to Rule 704(18)(c) of the Listing Manual that the Company's subsidiary, TFK Corporation, and its wholly owned subsidiary, Narita Dry Ice Co., Ltd., have on 27 March 2018 fully divested their combined 1,000,000 shares which represent a 100% stake ("**Sale Shares**") in Tokyo Flight Kitchen Restaurantes Ltda ("**TFK Brazil**") to Luiz Yoshiyasu Hidaka and Rosa Lhoko Hidaka ("**TFK Brazil Divestment**"). Official confirmation on the TFK Brazil Divestment was received by TFK Corporation on 6 April 2018.

### 2. Principal Terms of the TFK Brazil Divestment

- (a) Pursuant to the terms of the TFK Brazil Divestment, the Sale Shares were divested at nil value. TFK Brazil's assets consisted of only three aging apartments in Brazil, with no catering operations, and are therefore not considered core to either TFK Corporation or the wider SATS Group. By divesting the Sale Shares, TFK Corporation is able to avoid further cash outlay for the apartments, legal and fiscal fees for maintaining the corporate entity, as well as mitigate against the risk of continuing property market value fluctuation.
- (b) As at 27 March 2018, both the book value and net tangible asset value attributable to the TFK Brazil Divestment were approximately BRL 372K (equivalent to approximately S\$149K<sup>1</sup>).
- (c) With effect from 27 March 2018, TFK Brazil has ceased to be a subsidiary of TFK Corporation, and an indirect subsidiary of the Company.

### 3. Rationale for the TFK Brazil Divestment

TFK Brazil's sole business operations relate to only rental income. With the exception of such rental income received, TFK Brazil is a dormant company. The TFK Brazil Divestment will help to streamline TFK Corporation as it continues to improve its performance in its core business.

### 4. Financial Effects of the TFK Brazil Divestment

The TFK Brazil Divestment did not have any material impact on the Company's net tangible assets per share and consolidated earnings per share for FY2017/18.

---

<sup>1</sup> The illustrative exchange rate used in this announcement is S\$1: BRL2.5001 as at 9 April 2018. 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.

**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 TFK Brazil Divestment other than through their respective interests (if any) in the Company.

**BY ORDER OF THE BOARD**

S Prema  
Company Secretary

9 April 2018