



## AGREEMENT TO INCREASE REGISTERED CAPITAL AND SHAREHOLDING IN THE CAPITAL OF BEIJING AVIATION GROUND SERVICES CO., LTD

### 1. Introduction

The Board of Directors (the “**Board**”) of SATS Ltd. (the “**Company**” or “**SATS**”) wishes to announce that the Company has, on 4 April 2018, entered into a Capital Increase Agreement (“**Agreement**”), by and between all existing shareholders of Beijing Aviation Ground Services Co., Ltd (“**BGS**”), pursuant to which the Company has agreed to subscribe for additional shares and increase its shareholding in the capital of BGS from 28% to 29% (“**Subscription**”).

### 2. Principal Terms of the Agreement

#### 2.1 Under the Agreement:

- (a) The Company has agreed to subscribe for and inject an additional US\$8,344,285.71 of the enlarged registered capital in BGS at the price of US\$1 per US\$1 of registered capital.
- (b) Capital Airports Holding Company Limited has also agreed to subscribe for and inject an additional US\$19,941,428.55 of the enlarged registered capital in BGS at the price of US\$1 per US\$1 of registered capital.
- (c) The total amount of registered capital contributed by the shareholders and the shareholdings in BGS before and after the completion of the subscriptions described in paragraph 2.1(a) and (b) above shall be as follows:

	Before Completion		After Completion	
	Total amount of registered capital (US\$)	Share-holding (%)	Total amount of registered capital (US\$)	Share-holding (%)
Capital Airports Holding Company Limited	1,697,142.86	12	21,638,571.41	51
SATS Ltd.	3,960,000.00	28	12,304,285.71	29
China Southern Airlines Company Limited	4,242,857.14	30	4,242,857.14	10
China Eastern Airlines Corporation Limited	4,242,857.14	30	4,242,857.14	10
<b>Total</b>	<b>14,142,857.14</b>	<b>100</b>	<b>42,428,571.40</b>	<b>100</b>

2.2 The subscription price was arrived at on a willing buyer willing seller basis after taking into account the financial position and business prospects of BGS. Based on the unaudited financial statements of BGS as at 31 December 2017, the book value and net tangible asset value of all the shares in the capital of BGS are negative RMB128.3 million (equivalent to approximately S\$26.7 million)<sup>1</sup>.

**3. Interest of Directors and Controlling Shareholders**

None of the Directors nor any controlling shareholders of the Company has any interest (whether direct or indirect) in the Subscription other than through their respective interest (if any) in the Company.

**4. Financial Effects of the Subscription**

The 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. Documents for Inspection**

A copy of the Agreement 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  
4 April 2018

Singapore

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<sup>1</sup> The illustrative exchange rate used in this announcement is S\$1 : RMB4.80. 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.