



EXECUTION OF SALE AND PURCHASE AGREEMENT IN RELATION TO TAJ MADRAS FLIGHT KITCHEN PRIVATE LIMITED

1. Introduction

- 1.1 The Company owns 49% of the total issued shares in the capital of Taj SATS Air Catering Limited (“**TAJSATS**”) and 30% of the total issued shares in the capital of Taj Madras Flight Kitchen Private Limited (“**TMFK**”). Pursuant to a corporate restructuring exercise, TAJSATS intends to acquire 100% ownership of TMFK from all of TMFK’s shareholders (“**TMFK Restructuring**”).
- 1.2 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 has executed a conditional Sale and Purchase Agreement (“**SPA**”) with TAJSATS to sell its 30% stake in TMFK to TAJSATS (“**Proposed Transaction**”).

2. Principal Terms of the Proposed Transaction

- 2.1 Pursuant to the SPA, TAJSATS shall purchase 4,766,432 ordinary shares in the share capital of TMFK, representing 30% of the total issued shares in the capital of TMFK (“**Sale Shares**”), from the Company for a cash consideration of Indian Rupees Seventeen Crores Eighty Seven Lakh Forty One Thousand and Two Hundred (INR178,741,200) (approximately SGD3.5 million¹) (“**Consideration**”).
- 2.2 Completion of the Proposed Transaction is subject to the fulfilment of certain conditions precedent. The Consideration was arrived on an arm’s length and willing buyer-willing seller basis, taking into account a fair valuation dated 17 July 2019, conducted by SSPA & Co., Chartered Accountants, as commissioned by TAJSATS.

3. Rationale

The TMFK Restructuring is intended to simplify the existing shareholding structures of TAJSATS and TMFK, with the aim to achieve better operational and management synergies, and to reduce duplication of compliance and regulatory costs.

4. Financial Effects of the Proposed Transaction

- 4.1 Based on the Company’s management accounts as at 31 August 2019, the book value and net tangible asset value of the Sale Shares are SGD2.8 million each.
- 4.2 Completion of the Proposed Transaction will not impact the Company’s net tangible assets per share and consolidated earnings per share for the current financial year.

¹ The exchange rate used in this announcement is SGD1: INR 0.0195, which is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted as this rate or at any other rate.

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 Proposed Transaction other than through their respective interest (if any) in the Company.

6. Documents for Inspection

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 20 Airport Boulevard, Singapore 819659 for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

S. Prema
Company Secretary

29 September 2019
Singapore