



22 July 2015

**PHILIPPINE STOCK EXCHANGE, INC.**

Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines

Attention : **JANET A. ENCARNACION**  
Head, Disclosure Department

Re : **Disposition of 13% Interest in Subsidiary to JV Partner SATS, Ltd.**

MacroAsia Corporation (“**MAC**”) signed today, 22 July 2015, a Sale and Purchase Agreement (“**SPA**”) with SATS, Ltd. (“**SATS**”) to sell **162,500** shares representing **13%** of the total issued and outstanding capital stock of its subsidiary MacroAsia Catering Services, Inc. (“**MACS**”), the dominant airline catering company in the Philippines.

MAC currently owns eighty percent (80%) of the total issued and outstanding capital stock of MACS. Upon completion of the transaction, MAC’s shareholdings in MACS will be reduced to sixty-seven percent (67%). SATS’ shareholdings in MACS, on the other hand, will increase from twenty percent (20%) to thirty-three percent (33%) of the total issued and outstanding capital stock of MACS.

**Principal Terms of the Transaction:**

Pursuant to the terms of the Sale Agreement, the share purchase consideration is comprised of: (1) an initial cash consideration of PHP 168.8 million (“Initial Consideration”); and (2) a potential earn-out consideration subject to the achievement of certain targets stipulated in the Sale Agreement (“Earn-out Consideration”). The Initial Consideration and Earn-out Consideration was arrived at on a willing buyer willing seller basis after taking into account MACS’ financial position and business prospects. The Initial Consideration will be payable by SATS to MAC at completion date.

The Transaction is subject to certain conditions precedent and subsequent being fulfilled by the parties and the relevant government approvals being obtained. Completion is expected to take place on or about 31 August 2015. Upon completion of the Proposed Transaction including the transfer of the title to the Shares, SATS’ shareholding in MACS will be 33%, with the remaining 67% being held by MAC.

As additional background information, MacroAsia Corporation acquired on 28 June 2006 an additional 13% stake in MACS through a sale and purchase agreement with Compass Group International BV at a value of Php36.4 million. By mutual agreement of the three joint venture partners in MACS then, the transaction effectively increased the shareholding of MacroAsia Corporation in MACS to 80%, and the balance of 20% stayed with Singapore Air Terminal Services (SATS) as joint venture partner. The Transaction today effectively reverts the shareholding of MAC in MACS to 67%, its original stake when MACS started operations in 1998.

**Financial Effects of the Transaction:**

Other than a gain on the sale of shares to be recorded by MacroAsia Corporation, this sale of the Subject Shares in MacroAsia Catering does not constitute a sale of a significant amount of assets or one which amounts to ten percent (10%) or more of the total assets of MacroAsia Corporation.

The Transaction is not expected to have a material impact on MacroAsia's consolidated net tangible assets. The gain from this transaction will be recorded upon closing date, and will be taken up accordingly in the consolidated earnings of the Group.

**Rationale of the Transaction:**

The transaction today is a strategic move to further strengthen the partnership and relationship of SATS and MacroAsia Corporation in their food services venture in the Philippines. Aside from this JV in airline catering through MacroAsia Catering, the JV partners have formed a new company, **MacroAsia SATS Food Industries Corporation**, as a 100% subsidiary of MacroAsia Catering. This new company is investing in a Php300 million new food commissary located near East Service Road, Sucat, Muntinlupa City to serve the requirements of institutional clients like hotels/casinos, call centers and other none-airline institutional clients. This transaction will serve as further impetus for SATS to strengthen its support for the growth of the JV's food business in the Philippines.

**Interest of Directors and Controlling Shareholders**

None of the Directors nor any controlling shareholder of MAC has any interest (whether direct or indirect) in the said transaction.

**About MacroAsia Catering:**

MacroAsia Catering is currently operating in a 2-hectare facility inside NAIA and this new facility in Muntinlupa to be operated by the newly-formed company will complement the current inflight kitchen, aside from focusing on further expansion into the production of food for non-airline clients.

Today, MacroAsia Catering is the preferred caterer of foreign airlines in NAIA, VVIP flights, and major airline lounges in the airport. It is a globally-recognized airline

caterer, having been awarded several times by its airline clients as among their best inflight food service provider in the world. Its airline clients include Singapore Airlines, Emirates, Etihad, Dragon Air, Cathay Pacific, Japan Airlines, All Nippon, Saudia, Qantas, Qatar, China Airlines, Air Niugini, Korean Air and other chartered flights. It has expanded its portfolio to include non-airline accounts, and such accounts will soon be served by its new subsidiary.

**About SATS, the JV Partner In MacroAsia Catering**

SATS is based in Singapore and is listed on the main board of the Singapore Exchange. It has more than 65 years of operating experience and a growing regional presence in Asia Pacific. SATS is the leading provider of gateway services and food solutions in the region. SATS caters to the needs of the aviation sector and a host of other businesses in hospitality, food, healthcare, freight and logistics industries besides governments. SATS has been a partner in MacroAsia Catering since 1998 when this JV started commercial operations.

Very truly yours,



**ATTY. MARIVIC T. MOYA**  
Compliance Officer/CIO  
VP-HR, Legal and External  
Relations