Financial Statements

Directors' Statement

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of SATS Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2023.

1. Opinion of the Directors

In the opinion of the Directors:

(a) The financial statements set out on pages 120 to 222 give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Directors have, on the date of this statement, authorised these financial statements for issue.

2. Directors

The Directors of the Company in office at the date of this statement are:

Euleen Goh Yiu Kiang	Chairman
Kerry Mok Tee Heong	
Achal Agarwal	
Vinita Bali	
Chia Kim Huat	
Eng Aik Meng	Appointed on 15 April 2023
Jenny Lee Hong Wei	
Jessica Tan Soon Neo	
Tan Soo Nan	
Deborah Tan Yang Sock	
Detlef Andreas Trefzger	Appointed on 15 April 2023
Yap Kim Wah	

3. Arrangements to Enable Directors to Acquire Shares and Debentures

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' Interests in Shares and Debentures

The following Directors who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, an interest in shares and share options of the Company (including those held by their spouses and children) as stated below:

	Direct interest		Deemed interest	
Name of Director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares [1]				
Euleen Goh Yiu Kiang	102,174	160,048	–	–
Kerry Mok Tee Heong	89,500	293,441	–	–
Achal Agarwal	51,400	78,983	–	–
Vinita Bali	–	7,144	–	–
Chia Kim Huat	22,590	39,676	–	–
Michael Kok Pak Kuan [2]	22,600	40,880	–	–
Jenny Lee Hong Wei	11,300	22,094	–	–
Jessica Tan Soon Neo	22,300	40,086	–	–
Tan Soo Nan	50,900	77,792	4,088	5,408
Deborah Tan Yang Sock	2,200	14,023	–	–
Yap Kim Wah	23,100	42,600	–	–
Award under SATS Restricted Share Plan ("RSP")				
Kerry Mok Tee Heong [3]	64,900	99,900	–	–
Award under SATS Performance Share Plan ("PSP")				
Kerry Mok Tee Heong [4]	262,500	263,800	–	–

(1) Includes, in respect of all the Directors named above other than Kerry Mok Tee Heong, shares of the Company delivered pursuant to awards granted to them under the RSP during the financial year under review as part of their Directors' Fees in lieu of cash and, in respect of Kerry Mok Tee Heong, shares of the Company delivered pursuant to awards granted to him under the RSP and PSP in his capacity as a Group employee.

(2) Mr Michael Kok Pak Kuan resigned on 15 April 2023.

(3) The final number of RSP award will vest equally over a three-year period. During the financial year, 113,700 shares were awarded and 78,700 shares were vested.

(4) The final number of PSP will range from 0% to 150% of the initial grant and is contingent on the achievements of pre-determined targets over a three-year performance conditions period. During the financial year, 86,300 shares were awarded and 53,600 shares were vested.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2023.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

5. Share-Based Payments

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

At the Extraordinary General Meeting of the Company held on 19 July 2005, the shareholders approved the adoption of two new share plans, namely the RSP and the PSP, in addition to the Share Option Plan. Both share plans which expired in July 2015 were subsequently approved during the 41st Annual General Meeting held on 23 July 2014 for further extension of 10 years to July 2025.

From FY2015-16 onwards, the RSP final number of award will range from 0% to 120% of the initial grant and is contingent on the achievement of pre-determined targets over a one-year performance period and will vest equally over a three-year period. The PSP final number of award will range from 0% to 150% of the initial grant and is contingent on the achievement of pre-determined targets over a three-year performance period.

At the date of this report, the Remuneration and Human Resource Committee which administers the Share Option Plan, the RSP and PSP comprises the following Directors:

Euleen Goh Yiu Kiang	Chairman
Achal Agarwal	Member
Eng Aik Meng	Member

No shares have been granted to controlling shareholders or their associates under the RSP and PSP.

At the 46th Annual General Meeting of the Company held on 18 July 2019, the shareholders of the Company approved alterations to the RSP to permit grants of fully paid shares of the Company to be made to Non-Executive Directors of the Company as part of their Directors' Fees in respect of their office as such, in lieu of cash. During the financial year, an aggregate of 87,000 shares of the Company were delivered pursuant to awards granted under RSP to Non-Executive Directors as part of their Directors' Fees for the period 1 April 2021 to 31 March 2022 in lieu of cash. The awards consisted of fully paid shares with no performance conditions attached and no vesting periods imposed.

The details of the shares awarded under the RSP and PSP during the year are as follows:

RSP

	Number of restricted shares				
Date of grant	Balance at 01 April 2022/ Date of grant	Vested	Forfeited	Adjustment	Balance at 31 March 2023
24 June 2019	1,200	(1,200)	–	–	–
20 August 2020	261,400	(260,300)	(1,100)	–	–
25 June 2021	1,186,000	(640,800)	(68,000)	–	477,200
24 June 2022	2,701,900	(930,500)	(182,900)	–	1,588,500
10 August 2022	87,000	(87,000)	–	–	–
	4,237,500	(1,919,800)	(252,000)	–	2,065,700

5. Share-Based Payments (cont'd)

Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") (cont'd)

PSP

	Number of performance shares				
Date of grant	Balance at 01 April 2022/ Date of grant	Vested	Forfeited	Adjustment#	Balance at 31 March 2023
01 August 2019	280,000	(176,500)	–	(103,500)	–
20 August 2020	647,500	–	(185,000)	–	462,500
02 August 2021	490,000	–	(145,000)	–	345,000
24 June 2022	296,300	–	(50,000)	–	246,300
	1,713,800	(176,500)	(380,000)	(103,500)	1,053,800

Adjustments due to the performance factor at the end of the performance period upon meeting stated performance targets.

Based on the Monte Carlo simulation model, the estimated weighted average fair values at the date of grant for each share granted during the year under the PSP is $2.16 (2022: $2.16).

For performance share grants with non-market conditions, the Group revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to the income statement and share-based compensation reserve.

Under the PSP, eligible key executives are required to hold a portion of the shares released to them under a share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

The number of contingent shares granted but not released as at 31 March 2023 were 2,065,700 (2022: 1,448,600) and 1,053,800 (2022: 1,417,500) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards is 2,065,700 (2022: 1,448,600) and zero to a maximum of 1,580,700 (2022: 2,126,250) fully paid ordinary shares of the Company, for RSP and PSP respectively.

For the current financial year, the Group has provided $8,939,000 (2022: $7,606,000) in respect of the RSP and PSP based on the fair values determined on grant date and estimation of share grants that will ultimately vest.

6. Audit Committee

The Audit Committee performed the functions specified in the Companies Act 1967. The functions performed are detailed in the Corporate Governance Report.

Directors' Statement

7. **Internal Control Statement**

Taking into account the views of the Audit Committee and the Board Risk and Safety Committee in the exercise of their responsibilities under their respective terms of reference, the framework of management controls, the internal control policies and procedures established and maintained by the Group's Management, the reviews conducted by the internal and external auditors and the documented governance assurance, the Board is of the opinion that the systems of internal controls and risk management (addressing financial, operational, compliance and information technology controls) which the Group consider relevant and material to its current business scope and environment were adequate and effective as at the date of the 'Directors' Statement'. The Audit Committee concur with the Board's opinions.

However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

8. **Auditors**

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors,

Euleen Goh Yiu Kiang
Chairman

Kerry Mok Tee Heong
Executive Director / President and Chief Executive Officer

Dated this 29 May 2023

Independent Auditors' Report

Members of the Company
SATS Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SATS Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group, the statement of financial position of the Company as at 31 March 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 120 to 222.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of non-financial assets, including goodwill

Refer to Note 2.14 'Impairment of non-financial and financial assets' and Note 3.4 'Impairment of non-financial assets' for relevant accounting policies and discussion of significant accounting estimates, Note 14 'Property, Plant and Equipment', Note 15 'Right-of-Use Assets', Note 16 'Intangible assets', Note 18 'Investment in associates' and Note 19 'Investment in joint ventures'.

The key audit matter	How the matter was addressed in our audit
The Group's non-financial assets comprises Property, Plant and Equipment, Right-of-Use Assets, Intangible assets (including goodwill) and Investments in associates and joint ventures. These non-financial assets are allocated to cash generating units ("CGUs"). Annual impairment testing is required for CGUs containing goodwill or when assessed with impairment indicators. Management applies the value-in-use (discounted cash flow) method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses. The recoverable amounts are determined based on estimates including projected revenue growth, projected cost, terminal growth rates and discount rates. There is inherent uncertainty involved in forecasting future cashflows. Specifically, there remains a high degree of estimation uncertainty in the post-Covid-19 recovery profile of the various geographical regions that the Group operates in. As a result of the high degree of estimation uncertainty and significant judgement involved, this is a key area of focus for our audit.	We held discussions with senior management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the CGUs. These estimates include those relating to projected revenue, projected cost, terminal growth rates and discount rates. We challenged management's estimates applied in the value-in-use models based on our knowledge of the CGUs' operations, and compared them against historical forecasts, performance and external benchmarks. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives. We performed sensitivity analyses to evaluate whether reasonable changes in the key assumptions for any of the Group's CGUs would cause the carrying amounts to exceed the recoverable amounts. We assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the CGUs.

Findings

Key estimates including projected revenue, projected cost, terminal growth rates and discount rates used in assessing the recoverable amounts of the respective CGUs are subject to significant amounts of estimation uncertainty. Nevertheless, we found that these key inputs underpinning the cashflow projections utilised in the computation of the recoverable amount of the respective CGUs, to be reasonable in the context of historical performance, available external information or planned strategies surrounding business expansion and cost initiatives.

Other information

Management is responsible for the other information. The other information comprises the Directors' statement which we obtained prior to the date of this auditor's report, and the annual report other than the financial statements and Directors' statement which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report other than Directors' statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditors' Report

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' responsibilities for the audit of the financial statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Mr. Malcolm Ramsay.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 May 2023

Consolidated Income Statement

for the financial year ended 31 March 2023

	Note	2022-23 $'000	2021-22 $'000
Revenue	4	**1,758,329**	1,176,766
Expenditure			
Staff costs	5	**(891,818)**	(550,555)
Cost of raw materials		**(336,350)**	(311,148)
Licence fees		**(56,361)**	(16,282)
Depreciation and amortisation charges		**(175,791)**	(119,667)
Company premise and utilities expenses		**(124,221)**	(73,887)
Other costs		**(221,821)**	(147,854)
		(1,806,362)	(1,219,393)
Operating loss	6	**(48,033)**	(42,627)
Interest on borrowings	7	**(18,637)**	(17,065)
Interest income	7	**9,893**	3,285
Share of results of associates/joint ventures, net of tax		**45,438**	17,154
Other non-operating (loss)/gain, net	8	**(32,431)**	12,152
Loss before tax		**(43,770)**	(27,101)
Income tax credit	9	**5,177**	31,432
(Loss)/profit for the year		**(38,593)**	4,331
(Loss)/profit attributable to:			
Owners of the Company		**(26,506)**	20,371
Non-controlling interests		**(12,087)**	(16,040)
		(38,593)	4,331
(Loss)/Earnings per share (cents)			
Basic	10	**(2.2)**	1.8*
Diluted	10	**(2.2)**	1.7*

* Earnings per share have been restated following the rights issue (Note 10).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

for the financial year ended 31 March 2023

	2022-23 $'000	2021-22 $'000
(Loss)/profit for the year	**(38,593)**	4,331
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial loss on defined benefit plan	**(161)**	(5,487)
Items that are or may be reclassified subsequently to profit or loss:		
Net fair value changes on financial assets	**(329)**	626
Hedge translation differences	**12,415**	–
Foreign currency translation differences	**(55,301)**	27,567
	(43,215)	28,193
Other comprehensive income for the year, net of tax	**(43,376)**	22,706
Total comprehensive income for the year	**(81,969)**	27,037
Total comprehensive income attributable to:		
Owners of the Company	**(62,698)**	48,678
Non-controlling interests	**(19,271)**	(21,641)
Total comprehensive income for the year	**(81,969)**	27,037

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

as at 31 March 2023

		GROUP		COMPANY	
	Note	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Equity attributable to owners of the Company					
Share capital	12	**1,153,485**	367,947	**1,153,485**	367,947
Treasury shares	12	**(854)**	(8,481)	**(854)**	(8,481)
Share-based compensation reserve	13	**5,244**	4,878	**5,244**	4,878
Statutory reserve	13	**13,956**	13,506	**–**	–
Foreign currency translation reserve	13	**(168,546)**	(119,485)	**–**	–
Revenue reserve		**1,342,603**	1,368,752	**1,424,207**	1,345,013
Other reserves	13	**(12,364)**	(24,516)	**(26,346)**	(26,365)
		2,333,524	1,602,601	**2,555,736**	1,682,992
Non-controlling interests	18	**181,258**	231,106	**–**	–
Total equity		**2,514,782**	1,833,707	**2,555,736**	1,682,992
Non-current assets					
Property, plant and equipment	14	**579,213**	589,651	**12,957**	18,802
Right-of-use assets	15	**320,976**	312,827	**79,645**	59,522
Investment properties	16	**–**	–	**131,598**	147,650
Intangible assets	17	**527,108**	553,179	**28,227**	24,972
Investment in subsidiaries	18	**–**	–	**934,530**	923,753
Investment in associates	19	**377,898**	393,811	**213,946**	221,261
Investment in joint ventures	20	**66,439**	60,206	**12,014**	12,014
Long-term investments	21	**14,235**	14,577	**6,060**	6,060
Loan to subsidiaries	18	**–**	–	**349,979**	388,428
Loan to associate		**–**	2,152	**–**	2,152
Deferred tax assets	22	**55,634**	57,407	**–**	–
Other non-current assets	23	**9,373**	12,531	**–**	–
		1,950,876	1,996,341	**1,768,956**	1,804,614
Current assets					
Trade and other receivables	24	**481,045**	387,721	**2,075,866**	158,460
Prepayments and deposits		**20,551**	36,706	**5,847**	3,251
Amounts due from associates/joint ventures	19,20	**2,018**	2,323	**793**	1,492
Loan to associate		**2,114**	–	**2,114**	–
Loan to subsidiaries	18	**–**	–	**77,110**	–
Inventories	25	**68,690**	83,155	**775**	757
Cash and cash equivalents	26	**374,458**	786,041	**181,431**	505,781
Deposit with notary	35	**1,773,991**	–	**–**	–
		2,722,867	1,295,946	**2,343,936**	669,741

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		GROUP		COMPANY	
	Note	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Current liabilities					
Trade and other payables	27	**522,491**	457,946	**171,102**	132,713
Amounts due to joint ventures	20	**11,624**	11,400	**–**	–
Income tax payable		**18,321**	18,179	**8,993**	9,725
Notes and borrowings	28	**12,973**	101,685	**–**	–
Loan from subsidiaries	18	**–**	–	**163,000**	167,800
Lease liabilities	32	**41,068**	41,373	**3,647**	2,847
		606,477	630,583	**346,742**	313,085
Net current assets		**2,116,390**	665,363	**1,997,194**	356,656
Non-current liabilities					
Deferred tax liabilities	22	**88,259**	90,440	**25,887**	26,913
Notes and borrowings	28	**1,133,526**	409,127	**1,101,340**	386,646
Lease liabilities	32	**290,816**	285,659	**78,647**	58,009
Other payables	27	**39,883**	42,771	**4,540**	6,710
		1,552,484	827,997	**1,210,414**	478,278
Net assets		**2,514,782**	1,833,707	**2,555,736**	1,682,992

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 31 March 2023

GROUP	Share Capital $'000	Treasury Shares $'000	Share-Based Compensation Reserve $'000	Statutory Reserve* $'000	Foreign Currency Translation Reserve $'000	Revenue Reserve $'000	Capital Reserve $'000	Loss on Reissuance of Treasury Shares $'000	Fair Value Reserve $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
	Attributable to owners of the Company											
Balance at 1 April 2022	**367,947**	**(8,481)**	**4,878**	**13,506**	**(119,485)**	**1,368,752**	**1,072**	**(26,365)**	**777**	**1,602,601**	**231,106**	**1,833,707**
Loss for the year	–	–	–	–	–	(26,506)	–	–	–	(26,506)	(12,087)	(38,593)
Other comprehensive income for the year	–	–	–	–	(49,061)	807	–	–	12,062	(36,192)	(7,184)	(43,376)
Total comprehensive income for the year	–	–	–	–	(49,061)	(25,699)	–	–	12,062	(62,698)	(19,271)	(81,969)
Contributions by and distributions to owners												
Share-based compensation	–	–	8,939	–	–	–	–	–	–	8,939	–	8,939
Treasury shares reissued pursuant to share-based compensation plans	–	7,627	(7,301)	–	–	–	–	19	–	345	–	345
Issuance of new shares pursuant to share-based compensation plans	1,272	–	(1,272)	–	–	–	–	–	–	–	–	–
Issuance of new shares pursuant to Rights Issue	784,266	–	–	–	–	–	–	–	–	784,266	–	784,266
Total contributions by and distributions to owners	785,538	7,627	366	–	–	–	–	19	–	793,550	–	793,550
Others												
Purchase price allocation for acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	5,320	5,320
Capital contribution from non-controlling interests	–	–	–	–	–	–	71	–	–	71	208	279
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(36,105)	(36,105)
Transfer to statutory reserve	–	–	–	450	–	(450)	–	–	–	–	–	–
Balance at 31 March 2023	**1,153,485**	**(854)**	**5,244**	**13,956**	**(168,546)**	**1,342,603**	**1,143**	**(26,346)**	**12,839**	**2,333,524**	**181,258**	**2,514,782**

* Certain countries in which some of the associates and subsidiaries are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 31 March 2023

GROUP	Share Capital $'000	Treasury Shares $'000	Share-Based Compensation Reserve $'000	Statutory Reserve* $'000	Foreign Currency Translation Reserve $'000	Revenue Reserve $'000	Capital Reserve $'000	Loss on Reissuance of Treasury Shares $'000	Fair Value Reserve $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
	Attributable to owners of the Company											
Balance at 1 April 2021	367,947	(18,798)	9,442	13,502	(150,223)	1,348,986	1,072	(25,747)	161	1,546,342	152,458	1,698,800
Profit/(loss) for the year	–	–	–	–	–	20,371	–	–	–	20,371	(16,040)	4,331
Other comprehensive income for the year	–	–	–	–	30,738	(3,047)	–	–	616	28,307	(5,601)	22,706
Total comprehensive income for the year	–	–	–	–	30,738	17,324	–	–	616	48,678	(21,641)	27,037
Contributions by and distributions to owners												
Share-based compensation	–	–	7,606	–	–	–	–	–	–	7,606	–	7,606
Share awards lapsed	–	–	(2,446)	–	–	2,446	–	–	–	–	–	–
Treasury shares reissued pursuant to share-based compensation plans	–	10,317	(9,724)	–	–	–	–	(618)	–	(25)	–	(25)
Total contributions by and distributions to owners	–	10,317	(4,564)	–	–	2,446	–	(618)	–	7,581	–	7,581
Others												
Acquisition of shares in subsidiary	–	–	–	–	–	–	–	–	–	–	102,689	102,689
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(2,400)	(2,400)
Transfer to statutory reserve	–	–	–	4	–	(4)	–	–	–	–	–	–
Balance at 31 March 2022	367,947	(8,481)	4,878	13,506	(119,485)	1,368,752	1,072	(26,365)	777	1,602,601	231,106	1,833,707

* Certain countries in which some of the associates and subsidiaries are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

for the financial year ended 31 March 2023

COMPANY	Share Capital $'000	Treasury Shares $'000	Share-Based Compensation Reserve $'000	Revenue Reserve $'000	Loss on Reissuance of Treasury Shares $'000	Total Equity $'000
Balance at 1 April 2022	**367,947**	**(8,481)**	**4,878**	**1,345,013**	**(26,365)**	**1,682,992**
Profit for the year	**–**	**–**	**–**	**79,194**	**–**	**79,194**
Total comprehensive income for the year	**–**	**–**	**–**	**79,194**	**–**	**79,194**
Contributions by and distributions to owners						
Share-based compensation	**–**	**–**	**8,939**	**–**	**–**	**8,939**
Treasury shares reissued pursuant to share-based compensation plans	**–**	**7,627**	**(7,301)**	**–**	**19**	**345**
Issuance of new shares pursuant to share-based compensation plans	**1,272**	**–**	**(1,272)**	**–**	**–**	**–**
Issuance of new shares pursuant to Rights Issue	**784,266**	**–**	**–**	**–**	**–**	**784,266**
Total contributions by and distributions to owners	**785,538**	**7,627**	**366**	**–**	**19**	**793,550**
Balance at 31 March 2023	**1,153,485**	**(854)**	**5,244**	**1,424,207**	**(26,346)**	**2,555,736**

COMPANY	Share Capital $'000	Treasury Shares $'000	Share-Based Compensation Reserve $'000	Revenue Reserve $'000	Loss on Reissuance of Treasury Shares $'000	Total Equity $'000
Balance at 1 April 2021	367,947	(18,798)	9,442	1,305,292	(25,747)	1,638,136
Profit for the year	–	–	–	37,275	–	37,275
Total comprehensive income for the year	–	–	–	37,275	–	37,275
Contributions by and distributions to owners						
Share-based compensation	–	–	7,606	–	–	7,606
Treasury shares reissued pursuant to share-based compensation plans	–	10,317	(9,724)	–	(618)	(25)
Share awards lapsed	–	–	(2,446)	2,446	–	–
Total contributions by and distributions to owners	–	10,317	(4,564)	2,446	(618)	7,581
Balance at 31 March 2022	367,947	(8,481)	4,878	1,345,013	(26,365)	1,682,992

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2023

	Note	2022-23 $'000	2021-22 $'000
Cash flows from operating activities			
Loss before tax		**(43,770)**	(27,101)
Adjustments for:			
Interest expenses, net	7	**8,744**	13,780
Depreciation and amortisation charges		**175,791**	119,667
Unrealised foreign exchange loss		**430**	42
Share of results of associates/joint ventures, net of tax		**(45,438)**	(17,154)
Gain on disposal of property, plant and equipment	8	**(13,012)**	(234)
Loss on sale and leaseback of property		**593**	–
Gain on deemed disposal of associate	8	**–**	(28,862)
Gain on disposal of associate		**(1,901)**	–
Impairment loss for an associate	8	**1,717**	–
Impairment loss on property, plant and equipment	14	**–**	16,948
Share-based compensation expense	5	**8,939**	7,606
Provision for doubtful debts	6	**178**	11,134
Other non-cash items		**1,710**	773
Operating cash flows before working capital changes		**93,981**	96,599
Changes in working capital:			
Increase in receivables		**(90,431)**	(79,300)
Decrease/(increase) in prepayments and deposits		**16,155**	(15,748)
Decrease in inventories		**12,848**	47,199
Increase in payables		**69,229**	48,081
Decrease/(increase) in amounts due from/to associates/joint ventures, net		**67**	(528)
Cash generated from operations		**101,849**	96,303
Interest paid to third parties		**(19,560)**	(16,994)
Income taxes paid		**(2,741)**	(16,989)
Net cash from operating activities		**79,548**	62,320
Cash flows from investing activities			
Capital expenditure	26	**(119,400)**	(77,989)
Dividends from associates/joint ventures		**23,500**	26,641
Net proceeds from sale of investments		**–**	306
Net proceeds from sale of associate		**3,139**	–
Proceeds from disposal of property, plant and equipment		**25,453**	347
Investments in subsidiaries – cash acquired net of considerations paid for acquisition		**–**	80,666
Investment in a joint venture		**(60)**	–
Interest received from deposits		**9,518**	3,289
Loan to associate		**–**	(2,152)
Deposit with notary		**(1,773,991)**	–
Net cash (used in)/from investing activities		**(1,831,841)**	31,108
Cash flows from financing activities			
Repayment of term loans	28	**(106,438)**	(181,994)
Repayment of lease liabilities	28	**(60,101)**	(25,986)
Proceeds from borrowings	28	**752,874**	21,077
Net proceeds from issuance of new shares pursuant to rights issue		**789,739**	–
Dividends paid to non-controlling interest		**(36,105)**	(2,400)
Net cash from/(used in) financing activities		**1,339,969**	(189,303)
Net decrease in cash and cash equivalents		**(412,324)**	(95,875)
Effect of exchange rate changes		**741**	2,067
Cash and cash equivalents at beginning of financial year		**786,041**	879,849
Cash and cash equivalents at end of financial year	26	**374,458**	786,041

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

The consolidated financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 29 May 2023.

1. General

SATS Ltd. (the "Company" or "SATS") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 20 Airport Boulevard, SATS Inflight Catering Centre 1, Singapore 819659.

The Company is principally an investment holding company. Its other activities include rental of premises and provision of management services to related companies.

The principal activities of the subsidiaries are disclosed in Note 18 to the financial statements.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The related changes to significant accounting policies are described in Note 2.2.

The financial statements are presented in Singapore Dollars ("$" or "SGD") and all values in the tables are rounded to the nearest thousand ("$'000"), unless otherwise indicated.

2.2 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 April 2022:

- Amendment to SFRS(I) 16: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- *Annual Improvements to SFRS(I)s 2018-2020*

The Group has adopted Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract* from 1 April 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 April 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 April 2022 as a result of the change.

2. Summary of Significant Accounting Policies (cont'd)

2.3 New standards and interpretations not adopted

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts and Amendments to SFRS(I) 17 Insurance Contracts*
- Amendments to SFRS(I) 1-1 and SFRS(I) *Practice Statement 2: Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-Current*

2.4 Basis of consolidation and business combinations

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
– de-recognises the carrying amount of any non-controlling interest;
– de-recognises the cumulative translation differences recorded in equity;
– recognises the fair value of the consideration received;
– recognises the fair value of any investment retained;
– recognises any surplus or deficit in profit or loss; and
– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserve, as appropriate.

Notes to the Financial Statements

31 March 2023

2. Summary of Significant Accounting Policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by SFRS(I)s.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.10. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Subsidiaries, associates and joint ventures

Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In determining whether the Group has control over an investee requires management judgement. In exercising its judgement, management considers the proportion of its ownership interest and voting rights, the Group's decision making authority over the investee, as well as the Group's overall exposure to variable returns.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

Associates and joint ventures

An associate is an entity over which the Group has significant influence, but not control or joint control over the financial and operating policy decisions of the investee.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control and the joint arrangement provides the Group with rights to the net assets of the arrangement.

2. Summary of Significant Accounting Policies (cont'd)

2.5 Subsidiaries, associates and joint ventures (cont'd)

Associates and joint ventures (cont'd)

The Group accounts for its investment in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of the results of the operations of the associates or joint ventures. Distributions received from the associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associates or joint ventures are eliminated to the extent of the interests in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal against the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The most recently available audited financial statements of the associates and joint ventures are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting period. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. Summary of Significant Accounting Policies (cont'd)

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.

Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated into Singapore Dollars at exchange rates at the reporting date and their profit or loss are translated at exchange rates at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. Summary of Significant Accounting Policies (cont'd)

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.19. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

Useful lives of property, plant and equipment

Judgement is required in determining the useful lives of property, plant and equipment. In determining useful lives, which is based on the period over which an asset is expected to be available for efficient use, the Group considers factors like insurance coverage requirement, maintenance and repair cost, technical or commercial obsolescence, the asset replacement policy and legal or similar limits to the use of the property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis at rates which are calculated to write-down their costs to their estimated residual values at the end of their operational lives. Operational lives and residual values are reviewed annually in the light of experience and changing circumstances, and adjusted as appropriate at each balance sheet date. The estimated useful lives are as follows:

Freehold buildings	– 50 to 55 years
Leasehold land and buildings	– according to the lease period or 30 years whichever is the shorter
Office fittings and fixtures, and equipment	– 1 to 12 years
Motor vehicles	– 1 to 10 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Summary of Significant Accounting Policies (cont'd)

2.9 Investment properties

Investment properties are properties that are either owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are stated at cost, net of depreciation and any accumulated impairment losses. Depreciation is provided on the straight-line basis so as to write off the cost of the investment properties over its estimated useful lives of 10 to 30 years. Operational lives and residual values are reviewed annually in the light of experience and changing circumstances, and adjusted as appropriate at each balance sheet date.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

2.10 Intangible assets

Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

2. Summary of Significant Accounting Policies (cont'd)

2.10 Intangible assets (cont'd)

Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The Group and Company do not have other intangible assets with indefinite useful life.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is de-recognised.

(i) Software development

Software development is stated at cost less accumulated amortisation and impairment losses, if any. The cost is amortised using the straight-line method over the estimated useful life of 3 to 10 years.

(ii) Licences

Licences comprise:

– abattoir licence which was acquired in a business combination. The abattoir licence is amortised on a straight-line basis over its estimated useful life of 14 years.

– operating rights acquired in business combinations which is amortised on a straight-line basis over its estimated useful life of 16 years.

(iii) Customer relationships

Customer relationships were acquired in business combinations. The customer relationships are amortised on a straight-line basis over its estimated useful life of 10 to 15 years.

2. Summary of Significant Accounting Policies (cont'd)

2.11 Financial assets

(i) Recognition and initial measurement

Trade receivables and debt investments are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") or fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2. Summary of Significant Accounting Policies (cont'd)

2.11 Financial assets (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the respective financial assets is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

2. Summary of Significant Accounting Policies (cont'd)

2.11 Financial assets (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Assessment of whether contractual cash flows are solely payments of principal and interest (cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income (OCI) and are never reclassified to profit or loss.

(iii) De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

2. Summary of Significant Accounting Policies (cont'd)

2.11 Financial assets (cont'd)

(iv) Derivatives and hedge accounting

Derivatives are used to manage exposures to foreign exchange, interest rate risks arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as FVTPL. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Where derivatives qualify for hedge accounting, at inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. The Group's accounting policy for hedge accounting is set out in Note 2.24.

2.12 Inventories

Inventories, which consist mainly of equipment spare parts and food supplies, are stated at the lower of cost and net realisable value. Costs are determined using the weighted average cost basis, and comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid fixed deposits that are readily converted to known amounts of cash and are subject to an insignificant risk of change in fair value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash on hand and cash equivalents in banks, net of outstanding bank overdrafts.

2.14 Impairment of non-financial and financial assets

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised costs; and
- intra-group financial guarantee contracts.

2. Summary of Significant Accounting Policies (cont'd)

2.14 Impairment of non-financial and financial assets (cont'd)

(i) Non-derivative financial assets (cont'd)

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2. Summary of Significant Accounting Policies (cont'd)

2.14 Impairment of non-financial and financial assets (cont'd)

(i) Non-derivative financial assets (cont'd)

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

- breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

2. Summary of Significant Accounting Policies (cont'd)

2.14 Impairment of non-financial and financial assets (cont'd)

(ii) Non-financial assets (cont'd)

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.15 Financial liabilities

(i) Initial recognition, classification, subsequent measurement and gains and losses

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised term loans, bank overdrafts, and trade and other payables.

(ii) De-recognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2. Summary of Significant Accounting Policies (cont'd)

2.15 Financial liabilities (cont'd)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.16 Accruals

Accruals are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Accruals are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the accrual is reversed. If the effect of the time value of money is material, accruals are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the accrual due to the passage of time is recognised as a finance cost.

2.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 15.

2. Summary of Significant Accounting Policies (cont'd)

2.17 Leases (cont'd)

(i) As a lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in "loans and borrowings" in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Summary of Significant Accounting Policies (cont'd)

2.17 Leases (cont'd)

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognised as "other income".

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

2.18 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements

31 March 2023

2. Summary of Significant Accounting Policies (cont'd)

2.18 Taxes (cont'd)

Deferred tax

Deferred tax is provided, using the liability method on temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

2. Summary of Significant Accounting Policies (cont'd)

2.18 Taxes (cont'd)

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Employee benefits

Equity compensation plans

The Group has also implemented the Restricted Share Plan and Performance Share Plan for awarding of fully paid ordinary shares to key senior management and senior executives, when and after pre-determined performance or service conditions are accomplished. Details of the plans are disclosed in Note 12 to the financial statements.

The cost of the equity-settled transactions with employees is measured by reference to the fair value of the options or awards at the date on which the share options or awards are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company. The assumptions and models used for estimating fair value for share-based compensation transactions are disclosed in Note 12.

Costs related to share based payment are recognised in profit or loss, with a corresponding increase in the share-based compensation reserve, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share-based compensation reserve over the remaining vesting period.

2. Summary of Significant Accounting Policies (cont'd)

2.20 Employee benefits (cont'd)

Equity compensation plans (cont'd)

No expense is recognised for options or awards that do not ultimately vest, except for options or awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The share-based compensation reserve is transferred to revenue reserve upon cancellation or expiry of the vested options or awards. When the options are exercised or awards are released, the share-based compensation reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

Defined contribution plans

The Group participates in national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Defined benefit plan

The Group has defined benefit plan in one of its overseas subsidiaries but the amount is not significant and is included under other payables (non-current).

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

– Service cost;
– Net interest on the net defined benefit liability or asset; and
– Remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

2. Summary of Significant Accounting Policies (cont'd)

2.21 Revenue

Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

Dividend income

Dividend income from investments is recognised when the Group's right to receive payment is established.

Interest income

Interest income from investments and fixed deposits is recognised using the effective interest rate method.

2.22 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants receivable are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expense are offset against the related expenses.

2. Summary of Significant Accounting Policies (cont'd)

2.23 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity (Note 12). No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.24 Hedge accounting

Hedges of a net investment

The Group uses loans as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Cash flow hedges

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (fair value reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the income statement.

When the hedged cash flow affects the income statement, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the income statement.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the income statement.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

2. Summary of Significant Accounting Policies (cont'd)

2.25 Segment reporting

Disclosure on operating segments are reported in a manner consistent with the internal reporting provided to the senior management of the Group. The senior management are responsible for allocating resources and assessing performance of the operating segments. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Related parties

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the Group and Company if that person:

- (a) has control or joint control over the Company;
- (b) has significant influence over the Company; or
- (c) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(ii) An entity is related to the Group and the Company if any of the following conditions applies:

- (a) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (c) both entities are joint ventures of the same third party;
- (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (f) the entity is controlled or jointly controlled by a person identified in (i); or
- (g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Significant Accounting Estimates and Judgements (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements; and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed below.

3.1 Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset.

The value in use for calculation is based on a discounted cash flow model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities that the Group has not commit to or significant future investments that may enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Significant judgement is required in determining the recoverable amount of the investments which is subject to a high degree of estimation uncertainty in assessing the forecasted cashflows as well as recovery assumptions from COVID-19 pandemic as the international and regional flights resume.

There was an impairment charge of $1.7 million recorded in the current financial year for loan to and investment in an associate (Note 8) (2022: Nil).

The Group has also carried out a review on the recoverable amount of its property, plant and equipment, no impairment loss was recorded in the financial year ended 31 March 2023 (2022: $16.9 million) (Note 8).

3.2 Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. Revenue

The Group recognises revenue from the following sources:

	GROUP	
	2022-23 $'000	**2021-22 $'000**
Food Solutions	**869,253**	640,930
Gateway Services	**888,548**	532,457
Others	**528**	3,379
	1,758,329	1,176,766

Revenue is measured based on consideration specified in contracts with customers.

Food Solutions

Revenue from Food Solutions comprises revenue from inflight and institutional catering, food processing, distribution and airline laundry services. Revenue is recognised when goods and services are delivered to the customer and all criteria to acceptance have been satisfied. Payments are due from customers based on the agreed billing term stipulated in the contracts.

Gateway Services

Revenue from Gateway Services comprises revenue from ground handling, airport cargo delivery, management services, aviation security services and cruise terminal services. Revenue is recognised when services are delivered to the customer and all criteria to acceptance have been satisfied. Payments are due from customers based on the agreed billing term stipulated in the contracts.

Others

Others include rental income and other services. Revenue is recognised when it transfers control of a product to a customer or as and when services are rendered.

5. Staff Costs

	GROUP	
	2022-23 $'000	**2021-22 $'000**
Salaries, bonuses and other costs*	**841,683**	591,671
CPF and other defined contribution plans	**94,257**	64,626
Share-based compensation expense (Note 12)	**8,939**	7,606
Government grants	**(53,061)**	(113,348)
	891,818	550,555

* Included in salaries, bonuses and other costs are contract labour expenses of $166,305,000 (2022: $82,952,000).

Notes to the Financial Statements

31 March 2023

6. Operating Loss

The following items have been included in arriving at operating loss:

	GROUP 2022-23 $'000	GROUP 2021-22 $'000
Audit fee paid to auditors of the Company	**736**	600
Audit fee paid to other auditors	**407**	404
Non-audit fee paid to auditors of the Company	**299**	208
Non-audit fee paid to other auditors	**76**	51
Allowance of doubtful receivables and bad debts written off, net	**178**	11,134
Maintenance of equipment and vehicles	**43,550**	30,830
Digitalisation and IT expenses	**43,343**	38,832
Lease of ground support equipment	**10,346**	6,700
Rental for leasehold land and premises	**1,622**	4,763
COVID-19 related government grants and reliefs	**(59,111)**	(145,641)
Exchange loss, net	**6,763**	168

7. Interest on Borrowings and Interest Income

	GROUP 2022-23 $'000	GROUP 2021-22 $'000
Interest expenses – financial liabilities at amortised cost	**(18,637)**	(17,065)
Interest income – financial assets at amortised cost	**9,893**	3,285
	(8,744)	(13,780)

8. Other Non-Operating (Loss)/Gain, Net

	GROUP 2022-23 $'000	GROUP 2021-22 $'000
Gain on disposal of property, plant and equipment	**13,012**	234
Impairment loss for an associate	**(1,717)**	–
Impairment loss on property, plant and equipment	**–**	(16,948)
Accelerated recognition of government grant for impaired property, plant and equipment	**–**	321
Gain on disposal and deemed disposal of associate	**1,901**	28,862
Merger and acquisition expenses	**(44,900)**	–
Others	**(727)**	(317)
	(32,431)	12,152

9. Income Tax Credit

The major components of income tax credit for the years ended 31 March 2023 and 2022 are:

	GROUP 2022-23 $'000	GROUP 2021-22 $'000
Current income tax:		
Current year	**11,011**	10,788
Over provision in respect of prior years	**(6,663)**	(6,820)
	4,348	3,968
Deferred income tax (Note 22):		
Origination and reversal of temporary differences	**(11,534)**	(36,247)
Under provision of deferred taxation in respect of prior years	**125**	18
Withholding tax on share of results of associates/joint ventures	**1,884**	829
Income tax credit recognised in profit or loss	**(5,177)**	(31,432)

Reconciliation of effective tax rate

	GROUP 2022-23 $'000	GROUP 2021-22 $'000
Loss before tax	**(43,770)**	(27,101)
Taxation at statutory tax rate of 17% (2022: 17%)	**(7,441)**	(4,607)
Adjustments:		
Non-deductible expenses	**17,565**	14,417
Effect of different tax rates in other countries	**(2,259)**	(4,130)
Tax rebate	**–**	(208)
Over provision of current taxation in respect of prior years	**(6,663)**	(6,820)
Under provision of deferred taxation in respect of prior years	**125**	18
Utilisation of previously unrecognised tax losses/capital allowances	**(2,840)**	(59)
Tax exempt income	**(7,964)**	(32,451)
Effect of share of results of associates/joint ventures	**(7,673)**	(2,991)
Withholding tax on share of results of associates/joint ventures	**1,884**	829
Deferred tax assets not recognised	**10,122**	4,730
Others	**(33)**	(160)
Income tax credit recognised in profit or loss	**(5,177)**	(31,432)

10. (Loss)/Earnings Per Share

	GROUP	
	2022-23 $'000	2021-22 $'000
(Loss)/profit attributable to owners of the Company	**(26,506)**	20,371

	GROUP	
	2022-23	2021-22
Weighted average number of ordinary shares in issue used for computing basic earnings per share (in thousand)	**1,192,552**	1,163,924
Adjustment for RSP and PSP (in thousand)	**4,031**	4,449
Weighted average number of ordinary shares in issue used for computing diluted earnings per share (in thousand)	**1,196,583**	1,168,373
(Loss)/Earnings per share (cents)		
Basic	**(2.2)**	1.8
Diluted	**(2.2)**	1.7

With the issuance of rights shares in March 2023, the comparative figures for the financial year ended 31 March 2022 are restated per SFRS(I) 1-33 *Earnings Per Share* through retrospective application of a bonus factor to the average weighted number of shares. The bonus factor is derived from the division of fair value per share immediately before exercise of rights by the theoretical ex-rights fair value.

11. Dividends Paid

No dividend was proposed for the financial year ended 31 March 2023 (2022: Nil).

12. Share Capital and Treasury Shares

Share Capital

	GROUP AND COMPANY 31 Mar			
	2023 Number of shares	2022 Number of shares	2023 $'000	2022 $'000
Ordinary shares				
At beginning of the year	**1,124,056,275**	1,124,056,275	**367,947**	367,947
Issuance of new shares pursuant to share-based compensation	**326,200**	–	**1,272**	–
Issuance of new shares pursuant to rights issue	**363,111,486**	–	**784,266**	–
At end of the year	**1,487,493,961**	1,124,056,275	**1,153,485**	367,947

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All issued shares are fully paid, with no par value.

There were 326,200 ordinary shares issued pursuant to share-based compensation plans during the year (2022: Nil).

Rights Issue

On 29 March 2023, the Company issued 323 rights shares for every 1,000 existing ordinary shares in the capital of the Company at $2.20 per rights share held by the shareholders of the Company. The Company raised net proceeds after transaction costs of $784.3 million by issuing 363,111,486 rights shares. The proceeds were used to fund the acquisition of Worldwide Flight Services ("WFS"). Refer to Note 35 for details of WFS acquisition.

Treasury Shares

	GROUP AND COMPANY 31 Mar			
	2023 Number of shares	2022 Number of shares	2023 $'000	2022 $'000
At beginning of the year	**1,968,405**	4,362,955	**8,481**	18,798
Shares reissued pursuant to share-based compensation plans	**(1,770,100)**	(2,394,550)	**(7,627)**	(10,317)
At end of the year	**198,305**	1,968,405	**854**	8,481

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the year, 1,770,100 (2022: 2,394,550) treasury shares were reissued pursuant to the share-based compensation plans of which 1,593,600 (2022: 2,089,850) were reissued for the Restricted Share Plan, and 176,500 (2022: 304,700) was reissued for the Performance Share Plan.

12. Share Capital and Treasury Shares (cont'd)

Share-Based Incentive Plans

The Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") are share-based incentive plans for management staff, which were approved by the shareholders of the Company on 19 July 2005. Both share plans which expired in July 2015 were subsequently approved during the 41st Annual General Meeting held on 23 July 2014 for further extension of 10 years to July 2025.

The details of the two plans are described below:

Restricted Share Plan ("RSP") For grants in FY2019-20 to FY2022-23	
Plan description	Award of fully-paid ordinary shares of the Company, conditional on achievement of both corporate pre-determined performance targets set over one-year period and individual performance
Performance conditions	Company financial and operating achievements
Vesting condition	Equal vesting over a three-year period
Payout	0% – 120% depending on the achievement based on prior financial year

Performance Share Plan ("PSP") For grants in FY2019-20 to FY2022-23	
Plan description	Award of fully-paid ordinary shares of the Company, conditional on achievement of both pre-determined performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives and individual performance
Performance conditions	• Absolute Total Shareholder Return • Transformation Scorecard
Vesting condition	Vesting based on meeting specified performance conditions over a three-year performance period
Payout	0% – 150% depending on the achievement of specified performance targets over the performance period

12. Share Capital and Treasury Shares (cont'd)

Share-Based Incentive Plans (cont'd)

Fair values of RSP and PSP

The fair value of services received in return for shares awarded is measured by reference to the fair value of shares granted each year under the SATS RSP and PSP. The estimate of the fair value of the services received is measured based on a Monte Carlo simulation model, which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility of returns.

The following table lists the inputs to the model used for the awards:

RSP	Jun 2022	Jun 2021	Aug 2020	Jun 2019
Expected dividend yield (%)	Management's forecast in line with dividend policy			
Expected volatility (%)	31.0	39.6	28.3	13.8
Risk-free interest rate (%)	2.1 – 2.6	0.4 – 0.5	0.2 – 0.3	1.7 – 1.9
Expected term (years)	0.2 – 2.0	0.2 – 2.0	0.0 – 1.9	0.0 – 2.0
Share price at date of grant ($)	3.97	4.02	2.91	5.27

PSP	Jun 2022	Aug 2021	Aug 2020	Aug 2019
Expected dividend yield (%)	Management's forecast in line with dividend policy			
Expected volatility (%)	33.6	32.6	26.1	16.2
Risk-free interest rate (%)	2.8	0.5	0.3	1.72
Expected term (years)	3.0	2.9	2.9	2.9
Index (for Relative TSR)	STI	STI	STI	NA
Index volatility (%)	18.2	19.2	17.6	NA
Correlation with index (%)	0.8	0.7	0.7	NA
Share price at date of grant ($)	3.75	3.99	2.91	4.82

For non-market conditions, achievement factors are determined based on inputs from the Remuneration and Human Resource Committee for the purpose of accrual for the RSP until the achievement of the targets can be accurately ascertained.

12. Share Capital and Treasury Shares (cont'd)

Share-Based Incentive Plans (cont'd)

Movement of RSP and PSP shares award during the year

RSP

	Number of restricted shares				
Date of grant	Balance at 01 April 2022/ Date of grant	Vested	Forfeited	Adjustment	Balance at 31 March 2023
24 June 2019	1,200	(1,200)	–	–	**–**
20 August 2020	261,400	(260,300)	(1,100)	–	**–**
25 June 2021	1,186,000	(640,800)	(68,000)	–	**477,200**
24 June 2022	2,701,900	(930,500)	(182,900)	–	**1,588,500**
10 August 2022	87,000	(87,000)	–	–	**–**
	4,237,500	(1,919,800)	(252,000)	–	**2,065,700**

PSP

	Number of performance shares				
	Balance at 01 April 2022/ Date of grant	Vested	Forfeited	Adjustment#	Balance at 31 March 2023
01 August 2019	280,000	(176,500)	–	(103,500)	**–**
20 August 2020	647,500	–	(185,000)	–	**462,500**
02 August 2021	490,000	–	(145,000)	–	**345,000**
24 June 2022	296,300	–	(50,000)	–	**246,300**
	1,713,800	(176,500)	(380,000)	(103,500)	**1,053,800**

Adjustments due to the performance factor at the end of the performance period upon meeting stated performance targets.

The estimated weighted average fair values at date of grant for each share granted during the year under the PSP is $2.16 (2022: $2.16) based on the Monte Carlo simulation model.

For performance share grants with non-market conditions, the Group revises its estimates of the number of share grants expected to vest and corresponding adjustments are made to the income statement and share-based compensation reserve.

Under the PSP, eligible key executives are required to hold a portion of the shares released to them under a share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, thus further aligning their interests with shareholders.

The number of contingent shares granted but not released as at 31 March 2023 were 2,065,700 (2022: 1,448,600) and 1,053,800 (2022: 1,417,500) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards is 2,065,700 (2022: 1,448,600) and zero to a maximum of 1,580,700 (2022: 2,126,250) fully-paid ordinary shares of the Company, for RSP and PSP respectively.

12. Share Capital and Treasury Shares (cont'd)

Share-Based Incentive Plans (cont'd)

The share-based compensation expense recognised in profit or loss based on the fair values determined on grant date and estimation of share grants that will ultimately vest are as follows:

	GROUP	
	2022-23 $'000	2021-22 $'000
Share-based compensation expense		
Restricted Share Plan	**8,770**	8,489
Performance Share Plan	**169**	(883)
	8,939	7,606

13. Reserves

(a) Share-Based Compensation Reserve

Share-based compensation reserve represents the equity-settled share options, restricted and performance shares granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options, restricted and performance shares, net of cumulative shares vested.

(b) Statutory Reserve

Certain countries in which some of the Group's subsidiaries and associates are incorporated legally require statutory reserves to be set aside. The laws of the countries restrict the distribution and use of these statutory reserves.

(c) Foreign Currency Translation Reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

The foreign currency translation reserve is also used to record the effect of hedging of net investments in a foreign operation (Note 28).

(d) Fair Value Reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets designated at FVOCI, until they are disposed or impaired. The effective portion of the cumulative net change in the fair value of hedging instruments related to hedged transactions that have yet occurred is also included in fair value reserve.

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13. Reserves (cont'd)

(e) Capital Reserve

Capital reserve comprises acquisitions of non-controlling interests that do not result in a change of control.

(f) Gain or Loss on Reissuance of Treasury Shares

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

14. Property, Plant and Equipment

GROUP	Freehold land and buildings $'000	Leasehold land and buildings $'000	Office fittings and fixtures $'000	Equipment $'000	Motor vehicles $'000	Work in progress $'000	Total $'000
Cost							
At 1 April 2021	95,338	804,084	195,195	589,302	68,002	33,084	1,785,005
Translation	(13,902)	234	(854)	(3,510)	(1,643)	136	(19,539)
Reclassifications	–	(42)	3,040	7,182	–	(10,180)	–
Acquisition of subsidiaries	5,285	285,497	952	178,709	419	1,885	472,747
Additions (Note 26)	29	619	2,230	9,191	1,345	49,191	62,605
Disposals	–	–	(345)	(4,819)	(1,155)	–	(6,319)
At 31 March 2022	86,750	1,090,392	200,218	776,055	66,968	74,116	2,294,499
At 31 March 2022 and 1 April 2022	86,750	1,090,392	200,218	776,055	66,968	74,116	2,294,499
Translation	(17,281)	(8,502)	(1,246)	(9,043)	(2,255)	(2,061)	(40,388)
Reclassifications	–	15,855	16,665	8,666	75	(41,261)	–
Transfer to intangible assets	–	–	344	126	–	(1,972)	(1,502)
Additions (Note 26)	77	39,481	6,936	20,037	1,611	39,579	107,721
Disposals	(21,395)	(5,168)	(8,933)	(28,234)	(5,243)	–	(68,973)
At 31 March 2023	48,151	1,132,058	213,984	767,607	61,156	68,401	2,291,357

14. Property, Plant and Equipment (cont'd)

GROUP	Freehold land and buildings $'000	Leasehold land and buildings $'000	Office fittings and fixtures $'000	Equipment $'000	Motor vehicles $'000	Work in progress $'000	Total $'000
Accumulated depreciation and impairment losses							
At 1 April 2021	26,908	601,526	135,475	457,147	42,139	2,139	1,265,334
Translation	(8,452)	(467)	(743)	(3,683)	(1,056)	–	(14,401)
Depreciation	5,014	23,820	13,689	29,128	5,032	–	76,683
Acquisition of subsidiaries	–	228,252	952	136,906	380	–	366,490
Disposals	–	–	(184)	(4,906)	(1,116)	–	(6,206)
Impairment	–	–	16	14,522	–	2,410	16,948
At 31 March 2022	23,470	853,131	149,205	629,114	45,379	4,549	1,704,848
At 31 March 2022 and 1 April 2022	23,470	853,131	149,205	629,114	45,379	4,549	1,704,848
Translation	(12,092)	(5,572)	(720)	(6,766)	(1,596)	–	(26,746)
Depreciation	3,598	33,620	13,298	35,562	4,496	–	90,574
Disposals	(9,194)	(5,169)	(8,944)	(28,062)	(5,163)	–	(56,532)
At 31 March 2023	5,782	876,010	152,839	629,848	43,116	4,549	1,712,144
Carrying amounts							
At 1 April 2021	68,430	202,558	59,720	132,155	25,863	30,945	519,671
At 31 March 2022	63,280	237,261	51,013	146,941	21,589	69,567	589,651
At 31 March 2023	42,369	256,048	61,145	137,759	18,040	63,852	579,213

As part of the Group's annual impairment assessment, no impairment was recorded in the current financial year (2022: $16,948,000). The Group's property, plant and equipment with a carrying amount of $21,548,000 (2022: $13,853,000) are pledged to secure the Group's term loans (Note 28).

14. Property, Plant and Equipment (cont'd)

COMPANY	Equipment $'000	Motor vehicles $'000	Work in progress $'000	Total $'000
Cost				
At 1 April 2021	18,881	89	9,166	28,136
Reclassification/transfer to investment properties (Note 16)	1,063	–	(2,072)	(1,009)
Additions	244	–	3,040	3,284
At 31 March 2022 and 1 April 2022	20,188	89	10,134	30,411
Reclassification/transfer to investment properties (Note 16)	3,270	–	(7,686)	(4,416)
Additions	577	–	613	1,190
Disposals	(40)	(43)	–	(83)
At 31 March 2023	23,995	46	3,061	27,102
Accumulated depreciation				
At 1 April 2021	9,300	56	–	9,356
Depreciation	2,245	8	–	2,253
At 31 March 2022 and 1 April 2022	11,545	64	–	11,609
Depreciation	2,611	6	–	2,617
Disposals	(40)	(41)	–	(81)
At 31 March 2023	14,116	29	–	14,145
Carrying amounts				
At 1 April 2021	9,581	33	9,166	18,780
At 31 March 2022	8,643	25	10,134	18,802
At 31 March 2023	9,879	17	3,061	12,957

15. Right-of-Use Assets

GROUP	Leasehold land and buildings $'000	Others $'000	Total $'000
Cost			
At 1 April 2021	229,685	4,084	233,769
Translation	(6,658)	(27)	(6,685)
Acquisition of subsidiaries	192,977	–	192,977
Additions	28,928	1,001	29,929
Disposals	(9,839)	(297)	(10,136)
At 31 March 2022 and 1 April 2022	435,093	4,761	439,854
Translation	(12,900)	(284)	(13,184)
Additions	70,600	681	71,281
Disposals	(1,259)	(123)	(1,382)
At 31 March 2023	491,534	5,035	496,569
Accumulated depreciation			
At 1 April 2021	43,096	2,957	46,053
Translation	(893)	(20)	(913)
Acquisition of subsidiaries	60,195	–	60,195
Amortisation	26,607	776	27,383
Disposals	(5,546)	(145)	(5,691)
At 31 March 2022 and 1 April 2022	123,459	3,568	127,027
Translation	(3,862)	(237)	(4,099)
Amortisation	52,897	880	53,777
Disposals	(1,030)	(82)	(1,112)
At 31 March 2023	171,464	4,129	175,593
Carrying amounts			
At 31 March 2021	186,589	1,127	187,716
At 31 March 2022	311,634	1,193	312,827
At 31 March 2023	320,070	906	320,976

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15. Right-of-Use Assets (cont'd)

COMPANY	Leasehold land and buildings $'000
Cost	
At 1 April 2021	71,090
Additions	47
At 31 March 2022 and 1 April 2022	71,137
Additions	25,147
At 31 March 2023	96,284
Accumulated depreciation	
At 1 April 2021	7,754
Amortisation	3,861
At 31 March 2022 and 1 April 2022	11,615
Amortisation	5,024
At 31 March 2023	16,639
Carrying amounts	
At 31 March 2021	63,336
At 31 March 2022	59,522
At 31 March 2023	79,645

16. Investment Properties

	GROUP $'000	COMPANY $'000
Cost		
At 1 April 2021	9,629	794,496
Transfer from property, plant and equipment (Note 14)	–	1,009
Disposals	(2,390)	–
At 31 March 2022 and 1 April 2022	7,239	795,505
Transfer from property, plant and equipment (Note 14)	–	4,416
Additions	–	2,813
Disposals	–	(92)
At 31 March 2023	7,239	802,642
Accumulated depreciation		
At 1 April 2021	9,132	621,471
Depreciation	497	26,384
Disposals	(2,390)	–
At 31 March 2022 and 1 April 2022	7,239	647,855
Depreciation	–	23,281
Disposals	–	(92)
At 31 March 2023	7,239	671,044
Carrying amounts		
At 1 April 2021	497	173,025
At 31 March 2022	–	147,650
At 31 March 2023	–	131,598

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

16. Investment Properties (cont'd)

Information relating to the fair values of the investment properties of the Group as at 31 March as follows:

	2023		2022	
	Carrying value $'000	Fair value $'000	Carrying value $'000	Fair value $'000
Investment properties	**–**	**11,500**	–	12,400

Information relating to the fair values of the investment properties of the Company rented to third parties as at 31 March as follows:

	2023		2022	
	Carrying value $'000	Fair value $'000	Carrying value $'000	Fair value $'000
Investment properties rented by Company to third parties	**–**	**11,500**	–	12,400

The valuation is based on the Investment Method that makes reference to gross rental income of similar properties based on prevailing economic conditions.

The remaining investment properties of the Company are rented to the subsidiaries of the Group for their operational needs and therefore the Company does not consider the disclosure of fair value of these investment properties to be relevant.

Investment properties are categorised within level 3 of the fair value hierarchy. A significant increase (decrease) in gross rental income would result in a significantly higher (lower) fair value measurement.

The property rental income earned by the Group and Company for the year ended 31 March 2023 from its investment properties which are leased out under operating leases, amounted to $305,000 and $49,500,000 (2022: $1,020,000 and $49,860,000) respectively.

Direct operating expenses (including repairs and maintenance) incurred on rental-earning investment properties amounted to $157,000 and $35,513,000 (2022: $151,000 and $38,236,000) for the Group and Company respectively.

17. Intangible Assets

GROUP	Software development $'000	Work in progress $'000	Goodwill $'000	Licence $'000	Customer relationships $'000	Total $'000
Cost						
At 1 April 2021	114,505	33,752	276,338	27,114	145,666	597,375
Translation	(662)	(20)	(2,070)	(12)	(128)	(2,892)
Reclassifications	13,955	(13,955)	–	–	–	–
Additions (Note 26)	1,946	14,708	–	–	–	16,654
Acquisition through business combinations	–	–	50,182	–	93,113	143,295
At 31 March 2022 and 1 April 2022	129,744	34,485	324,450	27,102	238,651	754,432
Translation	(935)	(22)	(14,136)	(408)	(6,406)	(21,907)
Reclassifications	15,361	(15,361)	–	–	–	–
Transfer from/(to) property, plant and equipment	1,519	(17)	–	–	–	1,502
Additions (Note 26)	5,508	10,983	–	–	–	16,491
Disposal	(25,975)	–	–	–	–	(25,975)
Purchase price allocation adjustment (Note 18)	–	–	(10,057)	78,148	(59,731)	8,360
At 31 March 2023	125,222	30,068	300,257	104,842	172,514	732,903
Accumulated depreciation						
At 1 April 2021	105,668	–	–	23,602	57,426	186,696
Translation	(630)	–	–	(12)	94	(548)
Amortisation	4,600	–	–	1,918	8,587	15,105
At 31 March 2022 and 1 April 2022	109,638	–	–	25,508	66,107	201,253
Translation	(745)	–	–	(21)	(320)	(1,086)
Amortisation	6,783	–	–	5,266	19,391	31,440
Disposal	(25,812)	–	–	–	–	(25,812)
At 31 March 2023	89,864	–	–	30,753	85,178	205,795
Carrying amounts						
At 1 April 2021	8,837	33,752	276,338	3,512	88,240	410,679
At 31 March 2022	20,106	34,485	324,450	1,594	172,544	553,179
At 31 March 2023	35,358	30,068	300,257	74,089	87,336	527,108

17. Intangible Assets (cont'd)

Customer relationships and licence

Customer relationships relate to the economic benefits that are expected to derive from business dealings with the existing customers in the Singapore, Japan, Malaysia, China and United Kingdom operations. These are acquired as part of the acquisition of the subsidiaries. The relationships include catering, ground handling services and supply contracts with customers as well as other non-contractual customer relationships which past transactions provide evidence that the Group is able to benefit from the future economic inflows from such relationships.

Licence refers to the abattoir licence and operating rights to perform business activities in the airport.

Amortisation expense

The amortisation of software development, licence and customer relationships is included in the "Depreciation and amortisation charges" in the consolidated income statement.

Impairment testing of goodwill

Goodwill arising from business combinations have been allocated to the cash-generating units ("CGU") for impairment testing.

Impairment testing for CGU is carried out annually. There was no impairment loss recorded in the current and last financial year.

The carrying amounts of goodwill allocated to each CGU are as follows:

	31 Mar 2023 $'000	31 Mar 2022 $'000
SATS Food Services ("SFS")	**111,791**	111,791
TFK Corporation	**15,326**	17,059
Ground Team Red Holdings Sdn. Bhd. ("GTRH")	**94,299**	100,781
Nanjing Weizhou Airline Food Corp., Ltd ("NWA")	**28,091**	30,959
Monty's Bakehouse UK Limited ("MBUK")	**11,609**	13,678
SATS Food Solutions (Thailand) Co., Ltd. ("SFST")	**4,144**	4,324
Asia Airfreight Terminal Co., Ltd. ("AAT")	**34,997**	45,858
	300,257	324,450

17. Intangible Assets (cont'd)

Key assumptions used in the value in use calculations

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Forecast revenue and gross margins – Revenue and gross margins are based on average values achieved in the recent years preceding to the start of the forecast period. These are increased over the forecast period for anticipated retention of customers, expansion in business, synergies and efficiency improvements. The forecast revenue is dependent on the demand from key customers. A reasonable possible change in demand from key customers of the respective CGUs would not have an impact to the carrying value of goodwill in the CGUs.

Terminal growth rates – The forecasted terminal growth rates are based on the relevant industry outlook and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU. This is the benchmark used by the Group to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for each CGU, consideration has been given to the yield on a ten-year government bond at the beginning of the forecast year.

Market share assumptions – In addition to using industry data to estimate the growth rates (as noted above), the management assesses how the CGU's position, relative to its competitors, might change over the forecast period. The management expects the market share of the CGUs to be stable over the forecast period.

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial forecasts approved by management covering a five to ten years period. The financial forecasts include the impact of COVID-19 pandemic, management's estimated recovery of the aviation industry from COVID-19 pandemic and the long-term viability of the airline customers, which could be dependent on the refinancing or recapitalisation plan of the airlines. The recoverable amount of the CGU is highly sensitive to such financial projection. The discount rate applied to the cash flow projections and the forecasted terminal growth rates used to extrapolate cash flow projections beyond the terminal year are as follows:

	Terminal growth rates		Pre-tax discount rates	
	31 Mar 2023 %	31 Mar 2022 %	31 Mar 2023 %	31 Mar 2022 %
SFS	**1.3**	1.0	**8.9**	6.6
TFK Corporation	**0.5**	0.8	**13.0**	13.6
GTRH	**2.3**	2.3	**13.5**	12.7
NWA	**2.0**	2.0	**13.3**	11.7
MBUK	**1.5**	1.5	**14.5**	13.2
SFST	**0.5**	2.0	**14.8**	10.3
AAT	**2.2**	1.0	**12.1**	10.8

17. Intangible Assets (cont'd)

COMPANY	Software $'000	Work in progress $'000	Total $'000
Cost			
At 1 April 2021	31,877	16,326	48,203
Additions	135	7,610	7,745
Reclassifications	13,669	(13,669)	–
At 31 March 2022 and 1 April 2022	45,681	10,267	55,948
Additions	4,782	2,800	7,582
Disposals	(13,435)	–	(13,435)
Reclassifications	8,499	(8,499)	–
At 31 March 2023	45,527	4,568	50,095
Accumulated amortisation			
At 1 April 2021	29,147	–	29,147
Amortisation	1,829	–	1,829
At 31 March 2022 and 1 April 2022	30,976	–	30,976
Amortisation	4,225	–	4,225
Disposals	(13,333)	–	(13,333)
At 31 March 2023	21,868	–	21,868
Carrying amounts			
At 1 April 2021	2,730	16,326	19,056
At 31 March 2022	14,705	10,267	24,972
At 31 March 2023	23,659	4,568	28,227

18. Investment in Subsidiaries

	COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000
Unquoted shares, at cost	**960,685**	949,753
Impairment loss	**(26,155)**	(26,000)
	934,530	923,753

18. Investment in Subsidiaries (cont'd)

The names of the subsidiaries are set out below and the country of incorporation and place of business is Singapore, unless otherwise stated:

Name of companies	Principal activities (Place of business)	Cost of investment 31 Mar 2023 $'000	Cost of investment 31 Mar 2022 $'000	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held by the Company					
SATS Airport Services Pte Ltd [*,a]	Airport ground handling services	**16,500**	16,500	**100**	100
SATS Catering Pte Ltd [*,a]	Inflight catering services	**14,000**	14,000	**100**	100
SATS Security Services Private Limited [a]	Security handling services	**3,000**	3,000	**100**	100
SATS Aero Laundry Pte. Ltd.[a]	Providing and selling laundry and linen services	**2,515**	2,515	**100**	100
SATS Aerolog Express Pte. Ltd.[a]	Airport cargo delivery management services	**1,340**	1,340	**100**	100
SATS Institutional Catering Pte. Ltd.[a]	Supplier of food products and provision of expertise and manpower to manage central kitchens & catering operations	**11,030**	11,030	**100**	100
SATS Asia-Pacific Star Pte. Ltd.[a]	Airport ground handling services and inflight catering services	**#**	#	**100**	100
SATS Food Services Pte. Ltd.[a]	Food processing and distribution services	**487,260**	487,260	**100**	100
SATS Investments Pte. Ltd.[a]	Investment holding	**#**	#	**100**	100
SATS Investments (II) Pte. Ltd.[a]	Investment holding	**#**	#	**100**	100
Cemerlang Pte. Ltd.[a]	Investment holding	**#**	#	**100**	100

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18. **Investment in Subsidiaries** (cont'd)

Name of companies	Principal activities (Place of business)	Cost of investment 31 Mar 2023 $'000	Cost of investment 31 Mar 2022 $'000	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held by the Company (cont'd)					
SATS (India) Co. Private Limited [b]	Business development and marketing and product development (India)	**228**	228	**100**	100
SATS Services Sdn. Bhd.[b]	Shared services to the Company and its subsidiaries (Malaysia)	**201**	201	**100**	100
SATS Saudi Arabia Company [b]	Cargo handling (Saudi Arabia)	**145**	145	**80**	80
SATS Consumer Services Pte. Ltd.[a]	Provide airline and airport services, including buy on board, lounge access and concierge	**100**	100	**100**	100
GTRSG Pte. Ltd.[a]	Ground handling	**754**	754	**20**	20
SATS Group Services Sdn. Bhd.[b, k]	Investment holding (Malaysia)	**–**	#	**–**	100
Ground Team Red Holdings Sdn. Bhd.[b]	Investment holding (Malaysia)	**160,886**	160,886	**50**	50
SATS China Co., Ltd.[b]	Investment holding (People's Republic of China)	**111,230**	100,298	**100**	100
Asia Airfreight Terminal Co., Ltd.[b]	Air cargo handling services (Hong Kong)	**151,496**	151,496	**65.4**	65.4
SATS Investment (III) Pte. Ltd.[a, j]	Investment holding	**#**	–	**100**	–
SATS Treasury Pte. Ltd.[a, j]	Treasury services	**#**	–	**100**	–
		960,685	949,753		

18. **Investment in Subsidiaries** (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held through SATS Airport Services Pte Ltd			
SATS-Creuers Cruise Services Pte. Ltd.[a]	Cruise terminal management services	**60**	60
SATS Saudi Arabia Company [b]	Cargo handling (Saudi Arabia)	**20**	20
SATS Seletar Aviation Services Pte. Ltd.[a]	Terminal management services	**52**	52
Held through SATS Food Services Pte. Ltd.			
Primary Industries Private Limited [a]	Abattoir services	**78.5**	78.5
Hog Auction Market Pte Ltd [a]	Auctioneers of pigs	**78.5**	78.5
Primary Industries (Qld) Pty Ltd [b]	Land logistics and food solutions (Australia)	**100**	100
Shanghai ST Food Industries Co., Limited [c]	Manufacture and sale of frozen foodstuffs (People's Republic of China)	**100**	100
SFI Food Pte. Ltd.[a]	Food catering related ventures	**100**	100
SFI Manufacturing Private Limited [a]	Supply of food products and catering services	**100**	100
SATS Delaware North Pte. Ltd.[a]	Catering and food and beverages services at Singapore Sports Hub	**70**	70
Country Foods Pte. Ltd.[a]	Food distribution, processing and manufacturing	**100**	100

18. Investment in Subsidiaries (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held through SATS Investments Pte. Ltd.			
TFK Corporation [b,h]	Inflight catering services (Japan)	**59.4**	59.4
Monty's Bakehouse UK Limited [d]	Providing hand-held meals and snacks to leading airline customers globally (United Kingdom)	**100**	100
SATS (Thailand) Co., Ltd. [b]	Investment holding (Thailand)	**100**	100
Real Tasty Pte. Ltd. [a]	Snack bars, food kiosks and fast food outlets	**72**	100
SATS Food Solutions India Private Limited [b]	Central kitchen (India)	**100**	100
Held through TFK Corporation			
Inflight Foods Co., Ltd. [h,i]	Preparation and sale of inflight meals, frozen foods, seafood, meat and rice products and vegetables and fruits (Japan)	**59.4**	59.4
Narita Dry Ice Co., Ltd. [h,i]	Manufacture and sale of dry ice and ice cubes and sale of refrigerant and packaging material (Japan)	**59.4**	59.4
New Tokyo Service Co., Ltd [h,i]	Inflight catering services, and provision of manpower to inflight catering operators (Japan)	**59.4**	59.4

18. Investment in Subsidiaries (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held through SATS China Co., Ltd.			
SATS (Tianjin) Food Co., Ltd. [e]	Food production, processing and distribution (People's Republic of China)	**100**	100
SATS (Kunshan) Food Co., Ltd [b]	Food production, processing and distribution (People's Republic of China)	**100**	100
Nanjing Weizhou Airline Food Corp., Ltd [f]	Aviation food manufacturer producing frozen food, ambient meals and related food components to aviation companies (People's Republic of China)	**50**	50
Held through Nanjing Weizhou Airline Food Corp., Ltd.			
Ganzhou SATS Aviation Food Co., Ltd [f]	Aviation and railway food production and distribution (People's Republic of China)	**50**	50
Huizhou Weilian Airline Food., Ltd [f]	Aviation food production and distribution (People's Republic of China)	**27.5**	27.5
Shenzhen Weilian Air Catering Co., Ltd. [f]	Airline food services and other catering services (People's Republic of China)	**50**	50
Zhoushan Weilian Air Catering Co., Ltd [f]	Airline food services and other catering services (People's Republic of China)	**50**	50
Zhanjiang Wuchuan Weilian Air Catering Co., Ltd [f]	Airline food services and other catering services (People's Republic of China)	**50**	50
Jiangxi Weilian Air Catering Co., Ltd. [f, j]	Food business, catering services and other consumer goods business (People's Republic of China)	**33**	–
Held through SATS (Thailand) Co., Ltd.			
SATS Food Solutions (Thailand) Co., Ltd. [b]	Production of frozen, ready-to-cook, ready-to-eat and other food products (Thailand)	**85**	85

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18. Investment in Subsidiaries (cont'd)

Name of companies (Country of incorporation)	Principal activities (Place of business)	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held through Ground Team Red Holdings Sdn. Bhd.			
Ground Team Red Sdn. Bhd.[b]	Ground handling services (Malaysia)	**49**	49
GTRSG Pte. Ltd.[a]	Ground handling	**40**	40
Held through Monty's Bakehouse UK Limited			
Monty's Bakehouse NL B.V.[d]	Manufacture and supply hand-held savoury snacks and bakery to airlines and airline caterers (Netherlands)	**100**	100
Held through Asia Airfreight Terminal Co. Ltd			
Asia Airfreight Services Limited[b]	Provision of off-airport terminal, cargo consolidation, express delivery and other cargo related services (Hong Kong)	**100**	100
Held through SATS Catering Pte Ltd			
The Aviation Sustainability Forum Ltd.[g]	Aviation association for improved sustainability in inflight passenger services	**100**	100
Held through SATS Investment (III) Pte. Ltd.			
SATS International SAS[j]	Investment holding (France)	**100**	–

[a] Audited by KPMG LLP, Singapore.
[b] Audited by member firms of KPMG International in the respective countries.
[c] Audited by Shanghai Xin Ning Certified Public Accountants Audit Firm Co., Ltd.
[d] Audited by Grant Thornton UK LLP.
[e] Audited by CAC CPA Limited Liability Partnership.
[f] Audited by Jonten Certified Public Accountants (Limited Liability Partnership).
[g] Audited by Ardent Assurance.
[h] Percentage of equity held excludes Treasury Shares held by TFK Corporation.
[i] Not required to be audited under the laws of their countries of incorporation.
[j] Incorporated during the year.
[k] Liquidated during the year/ struck off from Register of the Companies Commission of Malaysia and dissolved under section 550 of the Companies Act 2016 on 7th June 2022.
Amount is less than $1,000.
* Significant subsidiaries in FY2022-23 in accordance to Rule 718 of the Singapore Exchange Securities Trading Limited – Listing Rules.

18. Investment in Subsidiaries (cont'd)

Interest in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group:

Name of subsidiaries (Place of business)	Proportion of ownership interest held by non-controlling interest %	Loss allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
TFK Corporation and its subsidiaries (Japan)				
31 March 2023	40.6	(10,237)	(28,146)	–
31 March 2022	40.6	(6,729)	(34,866)	–
Ground Team Red Holdings Sdn. Bhd. and its subsidiaries (Malaysia)				
31 March 2023	50.0	(6,445)	(50,007)	–
31 March 2022	50.0	(6,946)	(57,788)	–
Asia Airfreight Terminal Co. Ltd (Hong Kong)				
31 March 2023	34.6	(6,672)	(61,096)	(36,105)
31 March 2022	34.6	–	(99,677)	–

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18. Investment in Subsidiaries (cont'd)

Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of comprehensive income:

	TFK		GTRH		AAT*	
	2022-23 $'000	2021-22 $'000	2022-23 $'000	2021-22 $'000	2022-23 $'000	2021-22 $'000
Revenue	**87,979**	77,521	**66,343**	22,940	**119,205**	–
Loss before tax	**(35,853)**	(23,459)	**(16,751)**	(17,809)	**(22,121)**	–
Income tax credit	**10,638**	6,886	**3,926**	4,227	**2,839**	–
Loss after tax	**(25,215)**	(16,573)	**(12,825)**	(13,582)	**(19,282)**	–
Other comprehensive income	**(81,143)**	(63,813)	**(14,134)**	(1,692)	**(29,456)**	–
Total comprehensive income	**(106,358)**	(80,386)	**(26,959)**	(15,274)	**(48,738)**	–

Summarised statement of financial position as at 31 March:

	TFK		GTRH		AAT*	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Current assets	**26,023**	21,645	**14,782**	5,360	**74,492**	184,539
Current liabilities	**(25,524)**	(26,932)	**(29,746)**	(14,932)	**(55,128)**	(69,738)
	499	(5,287)	**(14,964)**	(9,572)	**19,364**	114,801
Non-current assets	**164,163**	187,482	**190,327**	211,030	**313,528**	359,799
Non-current liabilities	**(79,702)**	(79,259)	**(43,923)**	(48,175)	**(119,887)**	(140,659)
	84,461	108,223	**146,404**	162,855	**193,641**	219,140
Net assets	**84,960**	102,936	**131,440**	153,283	**213,005**	333,941

Other summarised information:

	TFK		GTRH		AAT*	
	2022-23 $'000	2021-22 $'000	2022-23 $'000	2021-22 $'000	2022-23 $'000	2021-22 $'000
Net cash (outflow)/inflow from operations	**(18,345)**	(21,313)	**(3,236)**	(4,165)	**24,544**	–
Acquisition of significant property, plant and equipment, and intangible assets	**(958)**	(1,628)	**(1,003)**	(462)	**(4,930)**	–

* AAT became a subsidiary on 23 March 2022 subsequent to step-up acquisition of additional 16.4% equity interest. No summarised statement of comprehensive income and other summarised information was disclosed for AAT as the transactions from 23 March 2022 to 31 March 2022 were immaterial.

18. Investment in Subsidiaries (cont'd)

Step-up acquisition of Asia Airfreight Terminal Co. Ltd

On 23 March 2022, the Company acquired additional 16.4% equity interest of the total issued share of Asia Airfreight Terminal Co. Ltd ("AAT") via step-up acquisition, at cash consideration of $58.8 million. The step-up acquisition increased the total issued share of AAT owned by the Company from 49% to 65.4%, granting the Company control of AAT and AAT became a subsidiary of the Company. As at 31 March 2022, purchase price allocation for the acquisition of AAT was not completed and the goodwill was accounted for on a provisional basis.

The Company has subsequently concluded the purchase price allocation review and adjusted the provisional goodwill and net assets acquired at the acquisition date to reflect new information obtained based on facts and circumstances that existed as of the acquisition date.

The fair value of the identifiable assets and liabilities as at 31 March 2022 were:

	Amount as at 31 March 2022		
	Provisional amount previously reported $'000	Fair value adjustments $'000	Final amount $'000
Property, plant and equipment	88,621	–	88,621
Right-of-use assets	132,782	–	132,782
Intangible assets	93,113	18,417	111,530
Trade and other receivables	22,760	–	22,760
Other current assets	2,508	–	2,508
Cash and bank balances	159,751	–	159,751
	499,535	18,417	517,952
Other non-current liabilities	(125,621)	–	(125,621)
Trade and other payables	(49,381)	–	(49,381)
Other current liabilities	(20,538)	–	(20,538)
Deferred tax liabilities	(15,364)	(3,039)	(18,403)
	(210,904)	(3,039)	(213,943)
Total net identifiable assets at fair value	288,631	15,378	304,009
Consideration transferred	58,835	–	58,835
Fair value of existing 49% stake	175,788	–	175,788
Non-controlling interest measured at the non-controlling interest's proportionate share	99,866	5,321	105,187
Less: Goodwill arising from acquisition	(45,858)	10,057	(35,801)
	288,631	15,378	304,009

The Company did not retrospectively adjust the Group financial statements for the year ended 31 March 2022 as there was no impact to income statement and the impact to statement of financial position was immaterial.

18. Investment in Subsidiaries (cont'd)

Loan to subsidiaries

	COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000
Non-current	**349,979**	388,428
Current	**77,110**	–

Non-current loan to subsidiaries

- The unsecured loan of $45,000,000 at 31 March 2022 is repayable by 31 March 2024. As at 31 March 2023, the loan is reported under current loan.
- $3,105,000 (2022: $3,105,000) is unsecured, bears interest at 5% per annum and is repayable by April 2024.
- $7,000,000 (2022: Nil) is unsecured, bears interest at 5.5% per annum and is repayable by December 2025.
- $1,700,000 (2022: Nil) is unsecured, bears interest at 4.5% per annum and is repayable by December 2025.
- $100,000 (2022: Nil) is unsecured, bears interest at 4.5% per annum and is repayable by March 2026.

The remaining loans to subsidiaries of $338,074,000 (2022: $340,323,000) are unsecured, non-interest bearing, repayable on demand and not expected to be repaid in the next 12 months.

Current loan to subsidiaries

- $45,000,000 (2022: Nil) is unsecured, bears interest at 1.5% per annum above the 12 months SGD SIBOR and is repayable by 31 March 2024.
- $32,110,000 (2022: Nil) is unsecured, bears interest at 5% per annum and is repayable by June 2023.

Loan from subsidiaries

Current loan from subsidiaries of $163,000,000 (2022: $167,800,000) is unsecured, bears interest at SIBOR less than 0.3% (2022: 0.15%) per annum and repayable on demand.

19. Investment in Associates

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Quoted shares, at cost	**116,428**	116,428	**–**	–
Unquoted shares, at cost	**336,328**	385,385	**282,811**	282,811
Impairment loss	**(22,790)**	(58,365)	**(68,865)**	(61,550)
Share of post-acquisition results	**137,932**	112,940	**–**	–
Accumulated amortisation of intangible assets	**(68,611)**	(63,986)	**–**	–
Share of statutory reserves of associates	**13,950**	13,948	**–**	–
Share of changes recognised directly in associates' equity	**(12,309)**	(13,580)	**–**	–
Foreign currency translation adjustments	**(123,030)**	(98,959)	**–**	–
	377,898	393,811	**213,946**	221,261

Amortisation of intangible assets

Customer-related intangible assets that arose from the acquisition of associates are recorded as part of the investment in associates. The useful lives of these intangible assets with definite useful lives were determined to be 2.5 to 18 years and these assets are amortised on a straight-line basis over their respective useful lives. The amortisation expense is included in the "Share of results of associates/joint ventures, net of tax" in the consolidated income statement.

Amounts due from associates

The amounts due from associates amounting to $1,083,000 (2022: $2,264,000) are unsecured, trade-related and are repayable on demand. No impairment was provided for in the current financial year (2022: Nil).

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19. Investment in Associates (cont'd)

Name of companies	Principal activities (Place of business)	GROUP Cost of investment 31 Mar 2023 $'000	Cost of investment 31 Mar 2022 $'000	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held by the Company					
Maldives Inflight Catering Private Limited [h,k]	Inflight catering services (Republic of Maldives)	**287**	287	**35.0**	35.0
Beijing Airport Inflight Kitchen Limited [c,k]	Inflight catering services (People's Republic of China)	**13,882**	13,882	**28.0**	28.0
Beijing Aviation Ground Services Co., Ltd [e,k]	Airport ground handling services (People's Republic of China)	**17,101**	17,101	**29.0**	29.0
Aviserv Limited [f,k] (Incorporated in Ireland)	Inflight catering services (Pakistan)	**3,313**	3,313	**49.0**	49.0
Tan Son Nhat Cargo Services Joint Stock Company Limited [g,k]	Air cargo handling services (Vietnam)	**979**	979	**15.0**	15.0
Servair-SATS Holding Company Pte Ltd [h,k]	Investment holding (Singapore)	**509**	509	**49.0**	49.0
MacroAsia Catering Services, Inc.[h,k]	Inflight catering services (Philippines)	**11,604**	11,604	**33.0**	33.0
Evergreen Airline Services Corporation [g,k]	Airport ground handling services (Taiwan)	**5,404**	5,404	**20.0**	20.0
Evergreen Air Cargo Services Corporation [i,k]	Air cargo handling services (Taiwan)	**16,163**	16,163	**25.0**	25.0
Taj SATS Air Catering Limited [b]	Catering services (India)	**24,646**	24,646	**49.0**	49.0
PT Jasa Angkasa Semesta, Tbk [h,k]	Ground and cargo handling (Indonesia)	**105,532**	105,532	**49.8**	49.8
Evergreen Sky Catering Corporation [g,k]	Inflight catering services (Taiwan)	**39,765**	39,765	**25.0**	25.0

19. Investment in Associates (cont'd)

Name of companies	Principal activities (Place of business)	GROUP Cost of investment 31 Mar 2023 $'000	Cost of investment 31 Mar 2022 $'000	Equity held 31 Mar 2023 %	Equity held 31 Mar 2022 %
Held by the Company (cont'd)					
SATS HK Limited [h,k]	Ramp services, passenger handling services and operations control services (Hong Kong)	**14,813**	14,813	**49.0**	49.0
KrisShop Pte. Ltd.[a]	Travel retail business, offer inflight and ground-based duty-free and duty paid goods (Singapore)	**7,316**	7,316	**15.0**	15.0
Beijing CAH SATS Aviation Services Co., Ltd.[d,k]	Ground and cargo handling services (People's Republic of China)	**21,497**	21,497	**40.0**	40.0
		282,811	282,811		
Held through TFK Corporation					
Tasco Foods Co., Ltd.[l]	Production and sales of confectionery (Japan)	**2,748**	2,748	**29.6**	29.6
Held through SATS Investments Pte. Ltd.					
Brahim's SATS Investment Holdings Sdn. Bhd.[j,k,m]	Investment holding company (Malaysia)	**–**	49,057	**–**	49.0
Oman SATS LLC [i,k]	Air cargo handling services (Oman)	**23,038**	23,038	**33.0**	33.0
Held through SATS Investments (II) Pte. Ltd. & Cemerlang Pte. Ltd.					
PT Cardig Aero Services Tbk [h,k]	Aviation support and catering services (Indonesia)	**116,428**	116,428	**41.7**	41.7

19. Investment in Associates (cont'd)

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 %	31 Mar 2022 %
Held through SATS Investments (II) Pte. Ltd.					
Mumbai Cargo Service Center Airport Private Limited [b]	Air cargo handling services (India)	**16,363**	16,363	**49.0**	49.0
Held through SATS Catering Pte. Ltd.					
PT Purantara Mitra Angkasa Dua [h,k]	Aviation catering services (Indonesia)	**11,368**	11,368	**20.0**	20.0
		452,756	501,813		

[a] Audited by KPMG LLP, Singapore.
[b] Audited by member firms of KPMG International in the respective countries.
[c] Audited by Beijing Zhong Rui Cheng Certified Public Accountants Co., Ltd.
[d] Audited by Beijing Xinyong Certified Public Accountants Co. Ltd, Beijing.
[e] Audited by Grant Thornton, China.
[f] Audited by Fitzgerald & Associates, Ireland.
[g] Audited by Deloitte and Touche and its member firms.
[h] Audited by Ernst & Young and its member firms.
[i] Audited by PricewaterhouseCoopers and its member firms.
[j] Audited by Baker Tilly Monteiro Heng PLT.
[k] Financial year end on 31 December.
[l] Not required to be audited under the laws of their countries of incorporation.
[m] Disposed during the year.

There was no associate company that was considered as significant in accordance to Rule 718 of the Singapore Exchange Securities Trading Limited – Listing Rules.

The Group has not recognised losses where its share of losses exceeds the Group's interest in the associates. The Group's cumulative share of unrecognised losses at the end of the reporting period was $106,831,000 (2022: $65,484,000), of which $51,521,000 (2022: $37,758,000) was the share of the current year's losses. The Group has no obligation in respect of these unrecognised losses.

19. Investment in Associates (cont'd)

Corporate Guarantee

The Group has issued a financial guarantee to financial institution for granting of credit and banking facilities to an associate whereby the Group (i) provided a proportionate guarantee up to a maximum amount of approximately $25,103,000 (2022: $31,253,000), (ii) pledged its shares in the associate as collateral and (iii) provided an undertaking to lenders that it will maintains its ownership in the associate, and will provide any shortfall in resources and support as required.

The Group's material investments in associates are summarised below:

	31 Mar 2023 $'000	31 Mar 2022 $'000
PT Jasa Angkasa Semesta, Tbk ("PT Jas")	**68,664**	66,978
PT Cardig Aero Services Tbk ("PT Cas")	**85,646**	87,776
Evergreen Sky Catering Corporation ("ESCC")	**56,061**	61,041
Other associates	**167,527**	178,016
	377,898	393,811
Fair value of PT Cas based on the quoted market price at reporting date (Level 1 in the fair value hierarchy)	**32,182**	30,231

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	2022-23 $'000	2021-22 $'000
Share of profit after tax	**16,294**	5,278
Other comprehensive income	**(8,807)**	1,020
Total comprehensive income	**7,487**	6,298

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31 March 2023

19. Investment in Associates (cont'd)

The summarised financial information in respect of PT Jas, AAT, PT Cas and ESCC, based on their respective financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised statement of comprehensive income:

	PT Jas		AAT*		PT Cas		ESCC	
	2022-23 $'000	2021-22 $'000	2022-23 $'000	2021-22 $'000	2022-23 $'000	2021-22 $'000	2022-23 $'000	2021-22 $'000
Revenue	**141,123**	117,307	**–**	152,474	**165,744**	135,329	**104,719**	33,122
Profit/(loss) after tax	**31,310**	24,621	**–**	16,394	**11,321**	(2,493)	**4,880**	(24,640)
Other comprehensive income	**–**	–	**–**	–	**501**	(700)	**(11,629)**	680
Total comprehensive income	**31,310**	24,621	**–**	16,394	**11,822**	(3,193)	**(6,749)**	(23,960)

Summarised statement of financial position as at 31 March:

	PT Jas		AAT*		PT Cas		ESCC	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Current assets	**64,106**	67,928	**–**	–	**68,809**	64,632	**50,620**	38,870
Non-current assets excluding goodwill	**48,431**	33,258	**–**	–	**78,324**	80,581	**287,228**	321,550
Goodwill	**–**	–	**–**	–	**1,324**	1,443	**–**	–
Total assets	**112,537**	101,186	**–**	–	**148,457**	146,656	**337,848**	360,420
Current liabilities	**45,888**	44,123	**–**	–	**69,340**	81,045	**49,329**	20,108
Non-current liabilities	**10,199**	8,572	**–**	–	**14,625**	14,004	**75,765**	115,718
Total liabilities	**56,087**	52,695	**–**	–	**83,965**	95,049	**125,094**	135,826
Net assets	**56,450**	48,491	**–**	–	**64,492**	51,607	**212,754**	224,594

* AAT became a subsidiary during the last financial year subsequent to step-up acquisition of additional 16.4% equity interest on 23 March 2022.

19. Investment in Associates (cont'd)

	PT Jas		AAT*		PT Cas		ESCC	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Net assets excluding goodwill	**56,450**	48,491	**–**	–	**63,168**	50,164	**212,754**	224,594
Less: Non-controlling interest	**–**	–	**–**	–	**(22,404)**	(18,722)	**–**	–
	56,450	48,491	**–**	–	**40,764**	31,442	**212,754**	224,594
Proportion of the Group's ownership	**49.8%**	49.8%	**–**	–	**41.7%**	41.7%	**25.0%**	25.0%
Group's share of net assets	**28,112**	24,148	**–**	–	**16,978**	13,096	**53,188**	56,148
Goodwill on acquisition and intangible assets	**40,552**	42,830	**–**	–	**68,668**	74,680	**2,873**	4,893
Carrying amount of the investment	**68,664**	66,978	**–**	–	**85,646**	87,776	**56,061**	61,041
Group's interest in net assets of investee at beginning of the year	**66,978**	56,354	**–**	127,542	**87,776**	89,969	**61,041**	68,981
Group's share of:								
Profit/(loss) after tax	**15,592**	12,261	**–**	8,033	**2,601**	(3,160)	**(707)**	(8,175)
Other comprehensive income	**(3,334)**	347	**–**	(229)	**(4,731)**	967	**(4,273)**	235
Equity stake disposed	**–**	–	**–**	(118,485)	**–**	–	**–**	–
Total comprehensive income	**12,258**	12,608	**–**	(110,681)	**(2,130)**	(2,193)	**(4,980)**	(7,940)
Dividends received during the year	**(10,572)**	(1,984)	**–**	(16,861)	**–**	–	**–**	–
Carrying amount of interest in investee at end of the year	**68,664**	66,978	**–**	–	**85,646**	87,776	**56,061**	61,041

20. Investment in Joint Ventures

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Unquoted shares, at cost	**34,186**	34,126	**12,014**	12,014
Post-acquisition revenue reserve capitalised as share capital	**3,090**	3,090	**–**	–
Share of post-acquisition results	**48,893**	37,129	**–**	–
Others	**(590)**	(325)	**–**	–
Foreign currency translation	**(19,140)**	(13,814)	**–**	–
	66,439	60,206	**12,014**	12,014

Amounts due from/to joint ventures

The amounts due from joint ventures amounting to $935,000 (2022: $59,000) and amount due to joint ventures amounting to $11,624,000 (2022: $11,400,000) are unsecured, trade-related and are repayable on demand. No impairment was provided for in the current financial year (2022: Nil).

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 %	31 Mar 2022 %
Held by the Company					
Air India SATS Airport Services Private Limited [a]	Ground handling and cargo handling services (India)	**12,014**	12,014	**50.0**	50.0
Unquoted shares held by Company, at cost		**12,014**	12,014		
Held through SATS Food Services Pte. Ltd					
SG IPF Pte. Ltd. [b]	Investment holding (Singapore)	**13,017**	12,957	**60.0**	60.0

20. Investment in Joint Ventures (cont'd)

		GROUP			
		Cost of investment		Equity held	
Name of companies	Principal activities (Place of business)	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 %	31 Mar 2022 %
Held through SATS Asia-Pacific Star					
DFASS SATS Pte. Ltd. [b]	Inflight duty-free and duty-paid sales, offer mail order and pre-order service, supply liquor for inflight pantry services, and operate ground based duty-free and duty-paid retail sales (Singapore)	**9,019**	9,019	**50.0**	50.0
Held through SATS Airport Services Pte Ltd					
SATS PPG Singapore Pte. Ltd. [b]	Manage and operate airport lounge (Singapore)	**136**	136	**50.0**	50.0
		34,186	34,126		

[a] Audited by member firm of KPMG International.
[b] Audited by KPMG LLP, Singapore.

The Group's material investments in joint ventures are summarised below:

	31 Mar 2023 $'000	31 Mar 2022 $'000
Air India SATS Airport Services Private Limited ("AISATS")	**42,226**	35,146
Other joint ventures	**24,213**	25,060
	66,439	60,206

Aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	2022-23 $'000	2021-22 $'000
Share of profit/(loss) after tax	**323**	(78)
Other comprehensive income	**(1,230)**	763
Total comprehensive income	**(907)**	685

20. Investment in Joint Ventures (cont'd)

The summarised financial information in respect of AISATS based on its financial statement and a reconciliation with the carrying amount of the investment in consolidated financial statements are as follows:

	AISATS	
	2022-23 $'000	2021-22 $'000
Revenue	**117,256**	103,137
Operating expenses	**(75,227)**	(92,257)
Interest expenses	**(1,837)**	(2,169)
Profit before tax	**40,192**	8,711
Income tax expense	**(17,310)**	(2,722)
Profit after tax	**22,881**	5,989
Total comprehensive income	**22,881**	5,989

Summarised statement of financial position as follow:

	AISATS	
	31 Mar 2023 $'000	31 Mar 2022 $'000
Cash and cash equivalents	**3,268**	7,270
Inventories	**3,054**	2,228
Other receivable	**13,758**	–
Trade receivable	**44,124**	23,302
Current assets	**64,204**	32,800
Non-current assets	**70,846**	93,268
Total assets	**135,050**	126,068
Current liabilities	**33,250**	27,821
Non-current liabilities	**17,349**	27,955
Total liabilities	**50,599**	55,776
Net assets	**84,451**	70,292
Proportion of the Group's ownership	**50.0%**	50.0%
Group's share of net assets	**42,226**	35,146
Carrying amount of the investment	**42,226**	35,146
Group's interest in net assets of investee at beginning of the year	**35,146**	32,758
Group's share of total comprehensive income	**7,080**	2,388
Carrying amount of interest in investee at end of the year	**42,226**	35,146

21. Long-Term Investments

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Quoted equity investment	**327**	303	**–**	–
Unquoted equity investment	**6,060**	6,060	**6,060**	6,060
Loan, secured	**7,755**	7,894	**–**	–
Others	**93**	320	**–**	–
	14,235	14,577	**6,060**	6,060

The secured loan of $7,755,000 (2022: $7,894,000) refers to an investment in a 5-year secured loan of US$5,833,000 (2022: US$5,833,000) with interest rate of 6.5% (2022: 6.5%) per annum (Note 31(c)).

No impairment charge was recorded in the current financial year (2022: Nil).

22. Deferred Taxation

	GROUP			
	Consolidated Statement of Financial Position		Consolidated Income Statement	
	31 Mar 2023 $'000	31 Mar 2022 $'000	2022-23 $'000	2021-22 $'000
Deferred tax liabilities				
Property, plant and equipment	**37,981**	42,986	**3,759**	3,567
Intangible assets	**29,206**	31,758	**4,142**	2,021
Accruals	**(1,686)**	(2,818)	**(1,102)**	658
Defined benefit plan	**58**	58	**–**	–
Unremitted foreign dividend and interest income	**6,478**	6,478	**–**	–
Fair value gain	**2,336**	2,639	**195**	–
Unutilised tax losses/capital allowances	**(596)**	(3,975)	**(756)**	3,474
Undistributed earnings of associates/ joint ventures	**16,146**	13,941	**(2,204)**	(1,213)
Other temporary differences	**(1,664)**	(627)	**1,074**	(58)
	88,259	90,440		
Deferred tax assets				
Accruals	**7,691**	3,711	**2,759**	(1,501)
Unutilised tax losses	**44,335**	49,771	**3,253**	27,389
Property, plant and equipment	**3,608**	3,925	**289**	1,063
	55,634	57,407	**11,409**	35,400

22. Deferred Taxation (cont'd)

	COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000
Deferred tax liabilities		
Property, plant and equipment	**19,789**	21,520
Accruals	**(380)**	(1,551)
Unremitted foreign dividend and interest income	**6,478**	6,944
	25,887	26,913

Unrecognised tax losses

As at 31 March 2023, the Group has tax losses of approximately $69,895,000 (2022: $20,113,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

23. Other Non-Current Assets

Other non-current assets relate mainly to long-term prepayments and lease deposits.

24. Trade and Other Receivables

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Trade receivables	**170,604**	136,439	**3,492**	604
Staff loans	**376**	265	**93**	59
Sundry receivables	**46,331**	60,458	**5,636**	2,462
Government grant receivables	**41,297**	50,718	**6,068**	2,506
Amounts due from related parties – Trade	**222,437**	139,841	**50,254**	–
Amounts due from related companies – Non-trade	**–**	–	**2,010,323**	152,829
	481,045	387,721	**2,075,866**	158,460

Trade receivables are generally on 30 – 90 day terms.

24. Trade and Other Receivables (cont'd)

Trade receivables denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
United States Dollar	**15,150**	2,850	**–**	–
Euro	**–**	–	**1,773,991**	–

The carrying amount of trade receivables impaired by credit losses is reduced through the use of an allowance account unless on the date the impairment loss is recognised, the Group ascertains the amount to be uncollectible whereby it would be reduced directly. In subsequent periods when a trade receivable is ascertained to be uncollectible, it is written off against the allowance account.

Significant financial difficulties of the debtors, probability that the debtors will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days aging of receivables balances) are considered indicators that the amounts owing by the debtors are impaired. Individual trade receivable is written off when management deems the amount not collectible.

Trade receivables are stated after impairment. Analysis of the impairment account is as follows:

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Balance at 1 April	**26,241**	13,631	**59**	116
Exchange differences	**(799)**	336	**–**	–
Write-off against provisions	**(15,578)**	(141)	**–**	–
Charge to/(write-back) income statement	**178**	11,134	**–**	(57)
Acquisition of subsidiary	**–**	1,281	**–**	–
Balance at 31 March	**10,042**	26,241	**59**	59
Bad debts (recovered)/write-off directly to income statement	**(169)**	(218)	**5**	162

24. Trade and Other Receivables (cont'd)

Staff loans

There was no interest charge on the staff loans for FY2022-23 and FY2021-22.

Sundry receivables

Sundry receivables are unsecured, interest-free and repayable upon demand.

Amounts due from related parties

The amounts due from related parties are trade-related, with a credit term of 45 days.

Amounts due from related companies

The amounts due from related companies are unsecured, interest-free and are repayable upon demand.

25. Inventories

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Food supplies and dry stores	**56,320**	71,345	**–**	–
Technical spares	**11,387**	10,849	**–**	–
Other consumables	**983**	961	**775**	757
	68,690	83,155	**775**	757
Income Statement:				
Inventories recognised as an expense	**235,409**	259,962	**–**	–
Inclusive:				
Inventories written down	**1,617**	806	**–**	–

26. Cash and Cash Equivalents

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.00% to 3.15% (2022: 0.00% to 2.5%) per annum. Short-term deposits are made for varying periods of between 3 days to 12 months depending on the expected cash requirements of the Group, and earn interest at the effective interest rate ranging from 0.00% to 4.63% (2022: 0.00% to 2.96%) per annum.

(a) Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts in statements of financial position:

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Fixed deposits	**72,029**	566,161	**–**	459,509
Cash and bank balances	**302,429**	219,880	**181,431**	46,272
Cash and cash equivalents	**374,458**	786,041	**181,431**	505,781

(b) Analysis of capital expenditure cash flows:

	GROUP	
	2022-23 $'000	2021-22 $'000
Additions of property, plant and equipment (Note 14)	**107,721**	62,605
Additions of intangible assets (Note 17)	**16,491**	16,654
Accrual for purchases of property, plant and equipment (Note 27)	**(4,812)**	(1,270)
Cash invested in property, plant and equipment and intangible assets	**119,400**	77,989

(c) Cash and cash equivalents denominated in foreign currencies at 31 March are as follows:

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Australian Dollar	**567**	3,054	**–**	–
United States Dollar	**15,783**	4,119	**12,954**	3,891
Japanese Yen	**21**	241	**21**	241
Euro	**2,438**	90	**2,325**	–

27. Trade and Other Payables

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Current:				
Trade payables	**341,651**	248,063	**64,759**	16,605
Tender deposits	**4,678**	4,229	**3,457**	3,309
Accrued expenses	**149,151**	180,721	**23,882**	29,442
Purchase of property, plant and equipment	**22,856**	18,044	**35**	526
Others	**3,503**	4,896	**–**	–
Amounts due to related companies	**652**	1,993	**51**	7
Amounts due to related companies – Non-trade	**–**	–	**78,918**	82,824
Trade and other payables	**522,491**	457,946	**171,102**	132,713
Non-current:				
Deferred consideration	**16,221**	20,319	**–**	–
Accrued expenses	**23,662**	22,452	**4,540**	6,710
Other payables	**39,883**	42,771	**4,540**	6,710

Trade and other payables are non-interest bearing. Trade payables are normally settled on 60-day terms while other current payables have an average term of three to six months.

Trade and other payables denominated in foreign currencies are as follows:

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Australian Dollar	**204**	423	**–**	–
Euro	**237**	180	**48**	–
United States Dollar	**1,376**	1,407	**1,327**	184
Japanese Yen	**–**	–	**253**	–

Amounts due to related companies

These amounts are unsecured, non-interest bearing and repayable on demand. Purchases from related companies are made at agreed terms.

28. Notes and Borrowings

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Current:				
Unsecured term loans	**235**	88,601	**–**	–
Secured term loans	**12,738**	13,084	**–**	–
	12,973	101,685	**–**	–
Non-current:				
Unsecured notes payable	**300,000**	300,000	**300,000**	300,000
Unsecured term loans	**833,526**	109,127	**801,340**	86,646
	1,133,526	409,127	**1,101,340**	386,646
Total notes and borrowings	**1,146,499**	510,812	**1,101,340**	386,646

As at 31 March 2023, there were nine (2022: nine) unsecured term loans held by the Group and two (2022: one) unsecured term loans held by the Company.

There were eleven (2022: ten) secured term loans held by the Group as at 31 March 2023. The term loans as at 31 March 2023 were secured on the property, plant and equipment and other assets of the subsidiaries.

Weighted average effective interest rate of term loans at the end of reporting period

Interest Rates

	GROUP		COMPANY	
	31 Mar 2023 %	31 Mar 2022 %	31 Mar 2023 %	31 Mar 2022 %
Unsecured term loans:				
Fixed rate	**1.2% – 6.00%**	0.76% – 5.00%	**0.64%**	–
Floating rate	**3.88%**	4.45%	**3.88%**	0.62%
Secured term loans:				
Fixed rate	**3.65% – 5.45%**	0.50% – 5.60%	**–**	–

28. Notes and Borrowings (cont'd)

Unsecured multicurrency medium term notes issued by the Company

Series	Year of issuance	Fixed interest rate (%)	Date payable	31 Mar 2023 $'000	31 Mar 2022 $'000
001	2020	2.88	Mar 2025	**200,000**	200,000
002	2021	2.60	Apr 2025	**100,000**	100,000

Hedge of net investments in foreign operations

Included in term loans as at 31 March 2023 was the term loan of JPY 7.8 billion (2022: JPY 7.8 billion), approximately $77.8 million (2022: $86.6 million), which have been designated as a hedge of the net investment in its subsidiary, TFK Corporation in Japan, and is being used to hedge the Group's exposure to foreign exchange risk on this investment. Foreign exchange gains or losses on the translation of this term loan are transferred to equity to offset any gains or losses on translation of the net investment in the subsidiary. There is no ineffectiveness portion transferred to profit or loss in the year ended 31 March 2023 (2022: Nil).

Hedge of foreign exchange risk in business combination

As at 31 March 2023, SATS placed a deposit of EUR 1.3 billion (SGD equivalent of $1.77 billion) with the notary for the purpose of acquiring Promontoria Holding 243 B.V., which owns 100% of the shares of global air cargo logistics provider, Worldwide Flight Services ("WFS").

The foreign exchange risk on the purchase consideration relating to the acquisition of Promontoria Holding 243 B.V. has been hedged.

Hedge of interest rate risk for floating rate term loan

As at 31 March 2023, the Group has an interest rate swap arrangement on the EUR 500 million term loan drawn on 28 March 2023, for which the associated floating rate term loan have the same critical terms and which have been assessed to be effective hedges. Under the interest rate swap, the Group agreed with the counter party to exchange, at specific interval mainly quarterly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amount of EUR 500 million. The fair value of the interest rate swap as at 31 March 2023 is immaterial.

28. Notes and Borrowings (cont'd)

Reconciliation of movements of liabilities to cash flows from financing activities

	Term Loans $'000	Notes Payable $'000	Leases $'000	Total $'000
At 1 April 2021	378,143	300,000	195,291	873,434
Changes from financing cash flows				
Proceed from borrowings	21,077	–	–	21,077
Repayment of term loans	(181,994)	–	–	(181,994)
Repayment of leases and related charges	–	–	(25,986)	(25,986)
Effect of changes in foreign exchange rates	(8,455)	–	(5,816)	(14,271)
Other changes				
Acquisition of subsidiaries	–	–	136,598	136,598
Addition of lease liabilities	–	–	25,682	25,682
Interest expense/professional fees	2,041	–	5,125	7,166
Termination of contracts	–	–	(3,862)	(3,862)
Balance at 31 March 2022 and 1 April 2022	210,812	300,000	327,032	837,844
Changes from financing cash flows				
Proceeds from borrowings	752,874	–	–	752,874
Repayment of term loans	(106,438)	–	–	(106,438)
Repayment of leases and related charges	–	–	(60,101)	(60,101)
Effect of changes in foreign exchange rates	(12,375)	–	(3,455)	(15,830)
Other changes				
Addition of lease liabilities	–	–	61,181	61,181
Interest expense/professional fees	1,626	–	7,227	8,853
Balance at 31 March 2023	846,499	300,000	331,884	1,478,383

29. Related Party Transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key Management Personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers the President and Chief Executive Officer, Chief Financial Officer and all Business Unit Heads to be Key Management Personnel of the Group.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions took place on terms agreed between the parties during the financial year:

Sale and purchase of goods and services

	GROUP	
	2022-23 $'000	2021-22 $'000
Services rendered by:		
Related parties	**40,410**	33,212
Sales to:		
Related parties	**707,633**	345,321

Remuneration of key management personnel

	GROUP	
	2022-23 $'000	2021-22 $'000
Directors		
Directors' fees – paid by the Company	**1,278**	1,191
Key executives		
Salary, bonuses and other costs	**5,105**	5,405
CPF and other defined contributions plans	**59**	56
Share-based compensation expense (net of reversal)	**1,667**	261
	6,831	5,722

30. Capital and Other Commitments

The Group and the Company have commitments for capital expenditure. Such commitments aggregated to $249.8 million (2022: $89.0 million) for the Group and $132.7 million (2022: $20.4 million) for the Company. In aggregate, these commitments are not at prices in excess of current market prices.

31. Financial Instruments and Financial Risk Management

Financial Risk Management

The Group operates principally in Singapore and generates revenue mainly in Singapore Dollars. The Group also has investments outside of Singapore and it operates in more than 14 countries. The Group's operations carry certain financial and commodity risks, including the effects of changes in foreign exchange rates and interest rates. The Group's overall risk management approach is to minimise the effects of such volatility on its financial performance. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments for specific exposures where appropriate and cost-efficient.

Financial risk management policies are periodically reviewed and approved by the Board of Directors. The Group has exposure to the following risks arising from the financial investments:

(a) Foreign Currency Risk

The Group is exposed to the effects of fluctuations in certain foreign exchange rates because of its foreign currency denominated operating revenue and expenses. However, the effects of foreign exchange rate fluctuations on the Group's operations are not significant because the Group's sales and purchases are mainly denominated in the respective functional currencies of the Group's entities, except for those disclosed as follows.

Exposure to currency risk

The summary of quantitative data about the exposure to currency risk (excluding the JPY-denominated term loan that is designated as a hedge of the Group's net investment in its Japan subsidiary) as reported to the management of the Group is as follows:

		31 Mar 2023			31 Mar 2022	
GROUP	USD $'000	EUR $'000	AUD $'000	USD $'000	EUR $'000	AUD $'000
Trade and other receivables	**15,150**	**113**	**–**	2,850	–	–
Cash and cash equivalents	**15,783**	**2,438**	**567**	4,119	90	3,054
Loan, secured	**7,755**	**–**	**–**	7,894	–	–
Deposit with notary	**–**	**1,773,991***	**–**	–	–	–
Trade and other payables	**(1,376)**	**(237)**	**(204)**	(1,407)	(180)	(423)
Notes and borrowings	**–**	**(723,500)***	**–**	–	–	–
	37,312	**1,052,805**	**363**	13,456	(90)	2,631

* Refer to note 28 for details of hedge accounting.

31. Financial Instruments and Financial Risk Management (cont'd)

(a) Foreign Currency Risk (cont'd)

The following significant exchange rates have been applied.

	Average rate		Year-end spot rate	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
USD	**1.372**	1.348	**1.329**	1.353
EUR	**1.429**	1.565	**1.447**	1.508
AUD	**0.937**	0.995	**0.887**	1.012

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the Singapore dollar, as indicated below against the USD, EUR and AUD at 31 March would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Effect on profit/(loss) before tax	
GROUP	2023 $'000	2022 $'000
USD (5% strengthening)	**(1,866)**	(673)
EUR (5% strengthening)	**(116)**	4
AUD (5% strengthening)	**(18)**	(132)
USD (5% weakening)	**1,866**	673
EUR (5% weakening)	**116**	(4)
AUD (5% weakening)	**18**	132

(b) Interest Rate Risk

The Group's earnings are affected by changes in interest rates due to the impact that such changes have on its interest income from cash and cash equivalents and its interest expense on term loans.

The Group's interest-bearing assets and interest-bearing liabilities are predominantly denominated in SGD, JPY, EUR and USD. Information relating to other interest-bearing assets and liabilities are disclosed in the cash and cash equivalents (Note 26) and notes and borrowings (Note 28).

The Group policy is to manage interest cost using a mix of fixed and variable rate debts, and interest rate economic effect of converting borrowings from variable rates to fixed rates or vice versa. Under the interest rate swap, the Group agreed with the counter party to exchange, at specified intervals mainly quarterly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

The interest rate sensitivity analysis is based on the following assumptions:

- Changes in market interest rates affecting the interest income or finance charges of variable interest financial instruments, excluding the variable rate term loan that is hedged with an interest rate swap.
- Changes in market interest rates affecting the carrying value of financial instruments with fixed interest rates if these are recognised at their fair value.

31. Financial Instruments and Financial Risk Management (cont'd)

(b) Interest Rate Risk (cont'd)

Under these assumptions, an increase or decrease in market interest rates of 50 basis points for all currencies in which the Group had deposits and term loans at 31 March would have the following effects:

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Effect of an increase in 50 basis points in market interest rates				
Profit/(loss) before tax	**1,038**	642	**(4,597)**	(807)
Effect of a decrease in 50 basis points in market interest rates				
Profit/(loss) before tax	**(1,038)**	(642)	**4,597**	807

(c) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents and loan receivable.

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 March 2023 in relation to each class of recognised financial assets was the carrying amount of those assets as indicated in the statement of financial position.

The Group only transacts with credit-worthy counterparties. Surplus funds are placed as interest-bearing deposits with reputable financial institutions. Credit risks are managed by limiting aggregate exposure on all outstanding financial instruments to any individual counterparty, taking into account its credit rating. Such credit risk exposures are regularly reviewed, and adjusted as necessary. This mitigates the risk of material loss arising in the event of non-performance by counterparties.

Concentration of credit risk exists when changes in economic, industry or geographical factors affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

31. Financial Instruments and Financial Risk Management (cont'd)

(c) Credit Risk (cont'd)

The Group determines concentration of credit risk by monitoring the industry, country and credit rating of its counterparties. The table below shows an analysis of credit risk exposures of the financial assets of the Group and the Company as at 31 March:

Credit profiles

	Outstanding balance		Percentage of total financial assets	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 %	31 Mar 2022 %
GROUP				
By industry				
Airlines	**303,897**	174,131	**35.4**	14.8
Financial institutions	**365,958**	786,041	**42.6**	66.7
Others	**189,780**	218,065	**22.0**	18.5
	859,635	1,178,237	**100.0**	100.0
By region				
Singapore	**671,255**	894,132	**78.1**	75.9
Japan	**22,900**	18,145	**2.7**	1.5
Others	**165,480**	265,960	**19.2**	22.6
	859,635	1,178,237	**100.0**	100.0
COMPANY				
By industry				
Airlines	**3,492**	537	**0.1**	0.1
Financial institutions	**181,431**	505,781	**6.7**	47.9
Related parties	**2,494,472**	541,316	**92.8**	51.2
Others	**11,797**	8,679	**0.4**	0.8
	2,691,192	1,056,313	**100.0**	100.0
By region				
Singapore	**2,583,575**	1,004,880	**96.0**	95.1
Others	**107,617**	51,433	**4.0**	4.9
	2,691,192	1,056,313	**100.0**	100.0

31. Financial Instruments and Financial Risk Management (cont'd)

(c) Credit Risk (cont'd)

Trade receivables

At the end of the reporting period, approximately:

- 56% (2022: 50%) of the Group's trade receivables were due from a major customer located in Singapore.
- 57% (2022: 51%) of the Group's trade receivables were due from related parties.

There is no concentration of customers' credit risk at the Company level.

The Group uses an allowance matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical observed default rates analysed in accordance to days past due by segmenting customers based on industry and geographical classification. Trade and other receivables are written off when there is no reasonable expectation of recovery.

The following table provides information about the exposure to credit risk and ECLs for trade receivables for individual customers as at reporting date. There is no disclosure on the exposure to credit risk and ECLs for the Company's trade receivables balance as the amount is not material.

	Weighted average loss rate		Gross carrying value		Impairment loss allowance	
GROUP	31 Mar 2023 %	31 Mar 2022 %	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Not past due	**–**	–	**319,725**	172,150	**–**	–
Past due 1 to 30 days	**–**	1.03	**35,383**	36,385	**–**	375
Past due 31 to 90 days	**0.1**	11.22	**19,065**	40,021	**26**	4,490
More than 90 days	**34.6**	39.61	**28,910**	53,965	**10,016**	21,376
			403,083	302,521	**10,042**	26,241

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed as above.

No aging analysis of other receivables are presented as the majorities of outstanding balances as at 31 March 2023 are current. The Group assesses that no allowance for impairment loss on other receivables is required.

31. Financial Instruments and Financial Risk Management (cont'd)

(c) Credit Risk (cont'd)

Amount due from related companies – Non-trade and loan to subsidiaries

The Company held non-trade receivables due from its related companies of $2,010,323,000 (2022: $152,829,000) and loan to subsidiaries of $427,089,000 (2022: $388,428,000). These balances are amounts for working capital requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Financial guarantees

The Group has issued financial guarantees to financial institution for granting of credit and banking facilities to its associate (see Note 19). These guarantees are subject to the impairment requirements of SFRS(I) 9. The Group has assessed that its associate has adequate financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect credit losses arising from these guarantees.

Cash and cash equivalents

The Group held cash and cash equivalents of $374.4 million as at 31 March 2023 (2022: $786.0 million). The cash and cash equivalents are held with bank and financial institution counterparties.

	GROUP			
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 %	31 Mar 2022 %
Investment grade (A to Aaa)	**340,044**	759,205	**90.8**	96.6
Others	**34,414**	26,836	**9.2**	3.4
	374,458	786,041	**100.0**	100.0

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The amount of the allowances of cash and cash equivalents is negligible.

Loan, secured

The Group held a 5-year secured loan which has been fully collaterised with quoted equity shares. The carrying amount of the loan is $11,077,000 (2022: $11,276,000). As the estimated fair value of the quoted shares is higher than the carrying value of the secured loan, the Group assesses that no allowance for credit losses is required.

31. Financial Instruments and Financial Risk Management (cont'd)

(d) Liquidity Risk

As at 31 March 2023, the Group had at its disposal, cash and cash equivalents amounting to $374.4 million (2022: $786.0 million). In addition, the Group has available short-term credit facilities of approximately $476.5 million (2022: $564.3 million) from revolving credit facilities granted by commercial banks.

The Group's holdings of cash, short-term deposits and investments, together with non-committed funding facilities and net cash flow from operations, are expected to be sufficient to cover the cost of all capital expenditure and any cash outflow from operating activities due in the next financial year. The shortfall, if any, could be met by further bank borrowings or public market funding.

The maturity profile of the financial assets and liabilities of the Group and the Company is shown in the table that follows. The amounts disclosed in the table are the contractual undiscounted cash flows.

GROUP	Within 1 year $'000	1–2 years $'000	2–5 years $'000	More than 5 years $'000	Total $'000
31 March 2023					
Financial assets:					
Trade and other receivables	**481,045**	**–**	**–**	**–**	**481,045**
Amount due from associates/joint ventures	**2,018**	**–**	**–**	**–**	**2,018**
Loan to associate	**2,174**	**–**	**–**	**–**	**2,174**
Cash and cash equivalents	**374,458**	**–**	**–**	**–**	**374,458**
Total undiscounted financial assets	**859,695**	**–**	**–**	**–**	**859,695**
Financial liabilities:					
Trade and other payables	**516,290**	**30,567**	**7,471**	**1,846**	**556,174**
Amount due to joint ventures	**11,624**	**–**	**–**	**–**	**11,624**
Notes and borrowings	**74,407**	**243,532**	**933,995**	**9,109**	**1,261,043**
Lease liabilities	**50,241**	**49,949**	**123,230**	**158,164**	**381,584**
Total undiscounted financial liabilities	**652,562**	**324,048**	**1,064,696**	**169,119**	**2,210,425**
Total net undiscounted financial assets/(liabilities)	**207,133**	**(324,048)**	**(1,064,696)**	**(169,119)**	**(1,350,730)**

31. Financial Instruments and Financial Risk Management (cont'd)

(d) Liquidity Risk (cont'd)

GROUP	Within 1 year $'000	1–2 years $'000	2–5 years $'000	More than 5 years $'000	Total $'000
31 March 2022					
Financial assets:					
Trade and other receivables	387,721	–	–	–	387,721
Amount due from associates/joint ventures	2,323	–	–	–	2,323
Loan to associate	–	–	2,152	–	2,152
Cash and cash equivalents	786,041	–	–	–	786,041
Total undiscounted financial assets	1,176,085	–	2,152	–	1,178,237
Financial liabilities:					
Trade and other payables	437,159	29,528	4,397	8,846	479,930
Amount due to joint ventures	11,400	–	–	–	11,400
Notes and borrowings	118,833	10,755	316,682	96,919	543,189
Lease liabilities	49,934	46,589	123,897	163,572	383,992
Total undiscounted financial liabilities	617,326	86,872	444,976	269,337	1,418,511
Total net undiscounted financial assets/(liabilities)	558,759	(86,872)	(442,824)	(269,337)	(240,274)

31. Financial Instruments and Financial Risk Management (cont'd)

(d) Liquidity Risk (cont'd)

COMPANY	Within 1 year $'000	1–2 years $'000	2–5 years $'000	More than 5 years $'000	Total $'000
31 March 2023					
Financial assets:					
Trade and other receivables	**2,075,866**	**–**	**–**	**–**	**2,075,866**
Amount due from associates/joint ventures	**793**	**–**	**–**	**–**	**793**
Loan to subsidiaries	**80,304**	**3,531**	**9,098**	**338,074**	**431,007**
Loan to associate	**2,174**	**–**	**–**	**–**	**2,174**
Cash and cash equivalents	**181,431**	**–**	**–**	**–**	**181,431**
Total undiscounted financial assets	**2,340,568**	**3,531**	**9,098**	**338,074**	**2,691,271**
Financial liabilities:					
Loan from subsidiaries	**169,692**	**–**	**–**	**–**	**169,692**
Notes and borrowings	**36,931**	**236,931**	**958,724**	**–**	**1,232,586**
Trade and other payables	**170,926**	**3,402**	**–**	**–**	**174,328**
Lease liability	**6,611**	**6,165**	**6,168**	**97,689**	**116,633**
Total undiscounted financial liabilities	**384,160**	**246,498**	**964,892**	**97,689**	**1,693,239**
Total net undiscounted financial assets/(liabilities)	**1,956,408**	**(242,967)**	**(955,794)**	**240,385**	**998,032**
31 March 2022					
Financial assets:					
Trade and other receivables	158,460	–	–	–	158,460
Amount due from associates/joint ventures	1,492	–	–	–	1,492
Loan to subsidiaries	–	48,105	–	340,323	388,428
Loan to associate	–	–	2,152	–	2,152
Cash and cash equivalents	505,781	–	–	–	505,781
Total undiscounted financial assets	665,733	48,105	2,152	340,323	1,056,313
Financial liabilities:					
Loan from subsidiaries	168,052	–	–	–	168,052
Notes and borrowings	8,893	8,893	310,130	86,780	414,696
Trade and other payables	132,689	5,221	–	–	137,910
Total undiscounted financial liabilities	309,634	14,114	310,130	86,780	720,658
Total net undiscounted financial assets/(liabilities)	356,099	33,991	(307,978)	253,543	335,655

Notes to the Financial Statements

31 March 2023

31. Financial Instruments and Financial Risk Management (cont'd)

(e) Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

GROUP	Amortised costs $'000	FVOCI $'000	FVTPL $'000	Other financial liabilities $'000	Total $'000
31 March 2023					
Assets					
Long-term investments	**7,848**	**327**	**6,060**	**–**	**14,235**
Trade and other receivables	**481,045**	**–**	**–**	**–**	**481,045**
Amount due from associates/joint ventures	**2,018**	**–**	**–**	**–**	**2,018**
Cash and cash equivalents	**374,458**	**–**	**–**	**–**	**374,458**
	865,369	**327**	**6,060**	**–**	**871,756**
Total non-financial assets					**3,801,987**
Total assets					**4,673,743**
Liabilities					
Amount due to joint ventures	**–**	**–**	**–**	**11,624**	**11,624**
Notes and borrowings	**–**	**–**	**–**	**1,146,499**	**1,146,499**
Lease liabilities	**–**	**–**	**–**	**331,884**	**331,884**
Trade and other payables	**–**	**–**	**–**	**554,608**	**554,608**
	–	**–**	**–**	**2,044,615**	**2,044,615**
Total non-financial liabilities					**114,346**
Total liabilities					**2,158,961**

31. Financial Instruments and Financial Risk Management (cont'd)

(e) Classification of Financial Instruments (cont'd)

GROUP	Amortised costs $'000	FVOCI $'000	FVTPL $'000	Other financial liabilities $'000	Total $'000
31 March 2022					
Assets					
Long-term investments	8,214	303	6,060	–	14,577
Trade and other receivables	387,721	–	–	–	387,721
Amount due from associates/joint ventures	2,323	–	–	–	2,323
Cash and cash equivalents	786,041	–	–	–	786,041
	1,184,299	303	6,060	–	1,190,662
Total non-financial assets					2,101,625
Total assets					3,292,287
Liabilities					
Amount due to joint ventures	–	–	–	11,400	11,400
Notes and borrowings	–	–	–	510,812	510,812
Lease liabilities	–	–	–	327,032	327,032
Trade and other payables	–	–	–	477,018	477,018
	–	–	–	1,326,262	1,326,262
Total non-financial liabilities					132,318
Total liabilities					1,458,580

Notes to the Financial Statements

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31. Financial Instruments and Financial Risk Management (cont'd)

(e) Classification of Financial Instruments (cont'd)

COMPANY	Amortised costs $'000	FVTPL $'000	Other financial liabilities $'000	Total $'000
31 March 2023				
Assets				
Long-term investment	**–**	**6,060**	**–**	**6,060**
Trade and other receivables	**2,075,866**	**–**	**–**	**2,075,866**
Loan to subsidiaries	**427,089**	**–**	**–**	**427,089**
Loan to associate	**2,114**	**–**	**–**	**2,114**
Amount due from associates/joint ventures	**793**	**–**	**–**	**793**
Cash and cash equivalents	**181,431**	**–**	**–**	**181,431**
	2,687,293	**6,060**	**–**	**2,693,353**
Total non-financial assets				**1,419,539**
Total assets				**4,112,892**
Liabilities				
Loan from subsidiaries	**–**	**–**	**163,000**	**163,000**
Notes and borrowings	**–**	**–**	**1,101,340**	**1,101,340**
Trade and other payables	**–**	**–**	**174,328**	**174,328**
Lease liabilities	**–**	**–**	**82,294**	**82,294**
	–	**–**	**1,520,962**	**1,520,962**
Total non-financial liabilities				**36,194**
Total liabilities				**1,557,156**

31. Financial Instruments and Financial Risk Management (cont'd)

(e) Classification of Financial Instruments (cont'd)

COMPANY	Amortised costs $'000	FVTPL $'000	Other financial liabilities $'000	Total $'000
31 March 2022				
Assets				
Long-term investment	–	6,060	–	6,060
Trade and other receivables	158,460	–	–	158,460
Loan to subsidiaries	388,428	–	–	388,428
Loan to associate	2,152	–	–	2,152
Amount due from associates/joint ventures	1,492	–	–	1,492
Cash and cash equivalents	505,781	–	–	505,781
	1,056,313	6,060	–	1,062,373
Total non-financial assets				1,411,982
Total assets				2,474,355
Liabilities				
Loan from subsidiaries	–	–	167,800	167,800
Notes and borrowings	–	–	386,646	386,646
Trade and other payables	–	–	137,910	137,910
Lease liabilities	–	–	60,856	60,856
	–	–	753,212	753,212
Total non-financial liabilities				38,151
Total liabilities				791,363

31. Financial Instruments and Financial Risk Management (cont'd)

(f) Fair Values

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

The quoted equity instruments classified as long-term investments are categorised within Level 1 of the fair value hierarchy. Fair value hierarchy Level 1 refers to quoted prices (unadjusted) in active markets for identical assets or liabilities. These quoted equity instruments represent ordinary shares in companies that are traded in an active stock exchange market.

The long-term investment is categorised within Level 3 of the fair value hierarchy. The valuation model considers the present value of the expected future payments, discounted using a risk adjusted discount rate. Significant unobservable inputs will include the expected cash flows as well as the discount rate used in the valuation.

Financial assets and financial liabilities that are classified as measured at amortised cost with carrying amounts being a reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date or the fixed interest rates approximate the market interest rates for such assets/liabilities. These financial assets include trade and other receivables, amount due from associates/joint ventures, loan to subsidiaries and cash and cash equivalents. These financial liabilities include trade and other payables, amount due to joint ventures, term loans and leases. The carrying amount of the secured loan receivables approximate the fair value of the quoted price of the pledged shares.

32. Leases

Leases as lessee

The Group leases offices, warehouse and factory facilities. The leases typically run for a period of 11 months to 51 years, with an option to renew the lease after that date. Lease payments are renegotiated upon renewal to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The Group leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

	GROUP	
	2022-23 $'000	2021-22 $'000
Amounts recognised in profit or loss		
Interest on lease liabilities	**7,226**	5,052
Expenses relating to short-term leases	**11,454**	8,325
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**3,313**	3,319
Amounts recognised in statement of cash flows		
Cash outflow for leases	**60,101**	25,986

32. Leases (cont'd)

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

33. Capital Management

The primary objective of management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve an optimal cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Directors have reviewed the Group's capital structure including the anticipated changes in Group's capital structure in view of the acquisition of World Flight Services in April 2023. The Directors will continue to regularly review the Group's capital structure in line with this objective. For the financial years ended 31 March 2023 and 31 March 2022, no changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

The Group monitors capital based on the debt-equity ratio, which is total debt divided by total equity. The Group keeps the debt-equity ratio at a level below the required ratio under its debt covenants. The Group includes within total debt, notes and borrowings, lease liabilities and bank overdraft.

	GROUP		COMPANY	
	31 Mar 2023 $'000	31 Mar 2022 $'000	31 Mar 2023 $'000	31 Mar 2022 $'000
Notes and borrowings	**1,146,499**	510,812	**1,101,340**	386,646
Lease liabilities	**331,884**	327,032	**82,294**	60,856
Total debt	**1,478,383**	837,844	**1,183,634**	447,502
Total equity	**2,514,782**	1,833,707	**2,555,736**	1,682,992
Total debt-equity ratio	**0.59**	0.46	**0.46**	0.26

34. Segment Reporting

For management purposes, the Group's operating businesses are organised and managed according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and services. The Group has three reportable operating segments as follows:

1. The Food Solutions segment provides mainly inflight and institutional catering, food processing, distribution services and airline laundry services.

2. The Gateway Services segment provides both airport and cruise terminal services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers. On the provision of cruise terminal services, the segment manages and operates Marine Bay Cruise Centre.

3. The Others segment provides rental of premises and other services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and profit after taxation.

Segment accounting policies are the same as the policies described in Note 2. Segment assets comprise primarily of inventories, receivables, prepayments, amount due from associates/joint ventures, cash and cash equivalents and deposit with notary, other non-current assets and other long-term investments.

Capital expenditure comprises additions to property, plant and equipment and intangible assets, excluding those acquired through business combinations and finance leases.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The Group generally accounts for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

34. Segment Reporting (cont'd)

By Business

	Food Solutions $'000	Gateway Services $'000	Others $'000	Total $'000
Financial year ended 31 March 2023				
Revenue	869,253	888,548	528	1,758,329
Operating loss	(33,799)	(2,035)	(12,199)	(48,033)
Net finance expense	(1,031)	(5,479)	(2,234)	(8,744)
Gain from disposal of property, plant and equipment	13,042	(26)	(4)	13,012
Gain from disposal of an associate	1,901	–	–	1,901
Share of results of associates/joint ventures, net of tax	6,605	38,833	–	45,438
Impairment loss for an associate	–	(159)	(1,558)	(1,717)
Other non-operating income/(expenses)	315	(1,688)	(44,254)	(45,627)
(Loss)/profit before tax	(12,967)	29,446	(60,249)	(43,770)
Income tax credit	1,079	1,732	2,366	5,177
(Loss)/profit for the year	(11,888)	31,178	(57,883)	(38,593)
As at 31 March 2023				
Segment assets	429,204	339,273	1,977,998	2,746,475
Property, plant and equipment, right-of-use assets	337,879	431,233	131,077	900,189
Associates/joint ventures	152,369	291,968	–	444,337
Deferred tax assets	40,824	14,481	329	55,634
Intangible assets	198,982	299,900	28,226	527,108
Total assets	1,159,258	1,376,855	2,137,630	4,673,743
Current liabilities	264,456	260,590	63,110	588,156
Non-current liabilities	134,530	144,300	1,185,395	1,464,225
Tax liabilities	18,096	53,562	34,922	106,580
Total liabilities	417,082	458,452	1,283,427	2,158,961
Capital expenditure	67,377	45,881	10,954	124,212
Depreciation and amortisation charges	39,854	117,059	18,878	175,791

Notes to the Financial Statements

31 March 2023

34. Segment Reporting (cont'd)

By Business (cont'd)

	Food Solutions $'000	Gateway Services $'000	Others $'000	Total $'000
Financial year ended 31 March 2022				
Revenue	640,930	532,457	3,379	1,176,766
Operating (loss)/profit	(44,057)	6,669	(5,239)	(42,627)
Net finance expense	(3,795)	(3,688)	(6,297)	(13,780)
Share of results of associates/joint ventures, net of tax	(15,442)	32,596	–	17,154
Impairment loss on property, plant and equipment, net of grants	(16,627)	–	–	(16,627)
Gain on deemed disposal of associate	–	28,862	–	28,862
Other non-operating income/(expenses)	258	(1,031)	690	(83)
(Loss)/profit before tax	(79,663)	63,408	(10,846)	(27,101)
Income tax credit	17,880	7,459	6,093	31,432
(Loss)/profit for the year	(61,783)	70,867	(4,753)	4,331
As at 31 March 2022				
Segment assets	478,956	426,061	420,189	1,325,206
Property, plant and equipment, right-of-use assets and investment properties	308,810	480,684	112,984	902,478
Associates/joint ventures	158,297	295,720	–	454,017
Deferred tax assets	43,016	14,119	272	57,407
Intangible assets	208,351	319,857	24,971	553,179
Total assets	1,197,430	1,536,441	558,416	3,292,287
Current liabilities	301,895	256,009	54,500	612,404
Non-current liabilities	115,073	166,544	455,940	737,557
Tax liabilities	18,916	53,004	36,699	108,619
Total liabilities	435,884	475,557	547,139	1,458,580
Capital expenditure	31,131	37,098	11,030	79,259
Depreciation and amortisation charges	43,475	55,953	20,239	119,667

34. Segment Reporting (cont'd)

By Geographical Location

Revenue, total assets and capital expenditure information based on the geographical location of the subsidiaries deriving the revenue and owning the assets respectively are as follows:

	Singapore $'000	Japan $'000	Others $'000	Total $'000
Financial year ended 31 March 2023				
Revenue	**1,408,758**	**87,979**	**261,592**	**1,758,329**
As at 31 March 2023				
Segment assets	**2,658,552**	**35,047**	**52,876**	**2,746,475**
Property, plant and equipment, right-of-use assets	**379,544**	**106,293**	**414,352**	**900,189**
Associates/joint ventures	**24,213**	**1,711**	**418,413**	**444,337**
Deferred tax assets	**9,303**	**30,042**	**16,289**	**55,634**
Intangible assets	**183,246**	**16,513**	**327,349**	**527,108**
Total assets	**3,254,858**	**189,606**	**1,229,279**	**4,673,743**
Capital expenditure	**42,038**	**958**	**81,216**	**124,212**
Financial year ended 31 March 2022				
Revenue	1,005,584	77,521	93,661	1,176,766
As at 31 March 2022				
Segment assets	1,047,716	33,806	243,684	1,325,206
Property, plant and equipment, right-of-use assets and investment property	392,493	124,749	385,236	902,478
Associates/joint ventures	28,104	1,506	424,407	454,017
Deferred tax assets	15,362	29,929	12,116	57,407
Intangible assets	174,383	18,867	359,929	553,179
Total assets	1,658,058	208,857	1,425,372	3,292,287
Capital expenditure	41,014	1,628	36,617	79,259

Information about major customers

Revenue from two major customers amounted to $836.4million (2022: $469.2 million), arising from sales by all segments.

35. Subsequent Event

Acquisition of Worldwide Flight Services

On 28 September 2022, the Company signed a sale and purchase agreement ("SPA") to acquire Promontoria Holding 243 B.V., which owns 100% of the shares of global air cargo logistics provider, Worldwide Flight Services ("WFS"). The approval of SATS's shareholders for the acquisition was obtained in January 2023, followed by the satisfaction of regulatory conditions in accordance with the SPA in February 2023.

As at 31 March 2023, the Company placed a deposit of $1,774 million with the notary in anticipation of the acquisition. This was funded through a combination of rights issue with net proceed after transaction costs of $784 million and EUR-denominated term loan of $713 million, with the remaining amount funded through SATS' existing cash balances.

The acquisition was completed on 3 April 2023 with SATS obtaining control over WFS group. The total purchase consideration for the acquisition was $1,783 million, including an additional consideration of $9 million that was transferred directly from SATS to the seller in April 2023.

Management is currently assessing the goodwill, fair value of identifiable assets acquired and liabilities assumed at the acquisition date with an independent valuation.

Loan Facilities for Early Redemption of Senior Secured Notes

SATS Treasury Pte Ltd, a subsidiary of SATS, has obtained loan facilities of up to EUR 1.04 billion between April and May 2023 with SATS as the guarantor for the facilities. The amounts borrowed by the Group under these facilities were used to fund the early redemption of EUR 250 million Senior Secured Floating Rate Notes on 12 May 2023, with the remaining balance to fund the early redemption of two Senior Secured Fixed Rate Notes due 2027 with the amount of EUR 340 million and USD 400 million respectively issued by Promontoria Holding 264 B.V., a subsidiary of SATS post-acquisition of WFS group. The redemption of the EUR and USD Senior Secured Fixed Rate Notes will be completed on 6 June 2023.

Additional Information

required by the Singapore Exchange Securities Trading Limited ("SGX-ST")

1. Interested Person Transactions

The interested person transactions entered into during the financial year ended 31 March 2023 are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) $'000	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000) $'000
Transactions for the Sale of Goods and Services			
Krisshop Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	4,255
Singapore Airlines Limited	An associate of the Company's Controlling Shareholder	–	1,358
ST Engineering Aerospace Company Pte Ltd.	An associate of the Company's Controlling Shareholder	–	594
SIA Engineering Company Limited	An associate of the Company's Controlling Shareholder	–	13,272
SG IPF Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	211
		–	19,690
Transactions for the Purchase of Goods and Services			
City Energy Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	18,200
GRID Communications Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	2,816
S & I Systems Pte Ltd	An associate of the Company's Controlling Shareholder	–	822
Gategroup Trading Hong Kong Limited	An associate of the Company's Controlling Shareholder	–	580
SIA Engineering Company Ltd	An associate of the Company's Controlling Shareholder	–	653
Singapore Telecommunications Limited	An associate of the Company's Controlling Shareholder	–	1,891