

AIRLINE CATERING
INSTITUTIONAL
CATERING FOOD
DISTRIBUTION &
LOGISTICS AIRLINE
LINEN LAUNDRY
PA
SERVICES LUNGE
MA
AVIATION SECURITY
AIRFREIGHT
HANDLING
LOGISTICS RAMP &
BAGGAGE HANDLING
CRUISE HANDLING
& TERMINAL
MANAGEMENT



SATS LTD.
Summary Report 2013-14

SATS is Asia's leading food solutions and gateway services company.

Our state-of-the-art facilities and comprehensive suite of services give us scale advantages as we serve both the existing and emerging needs of our customers.

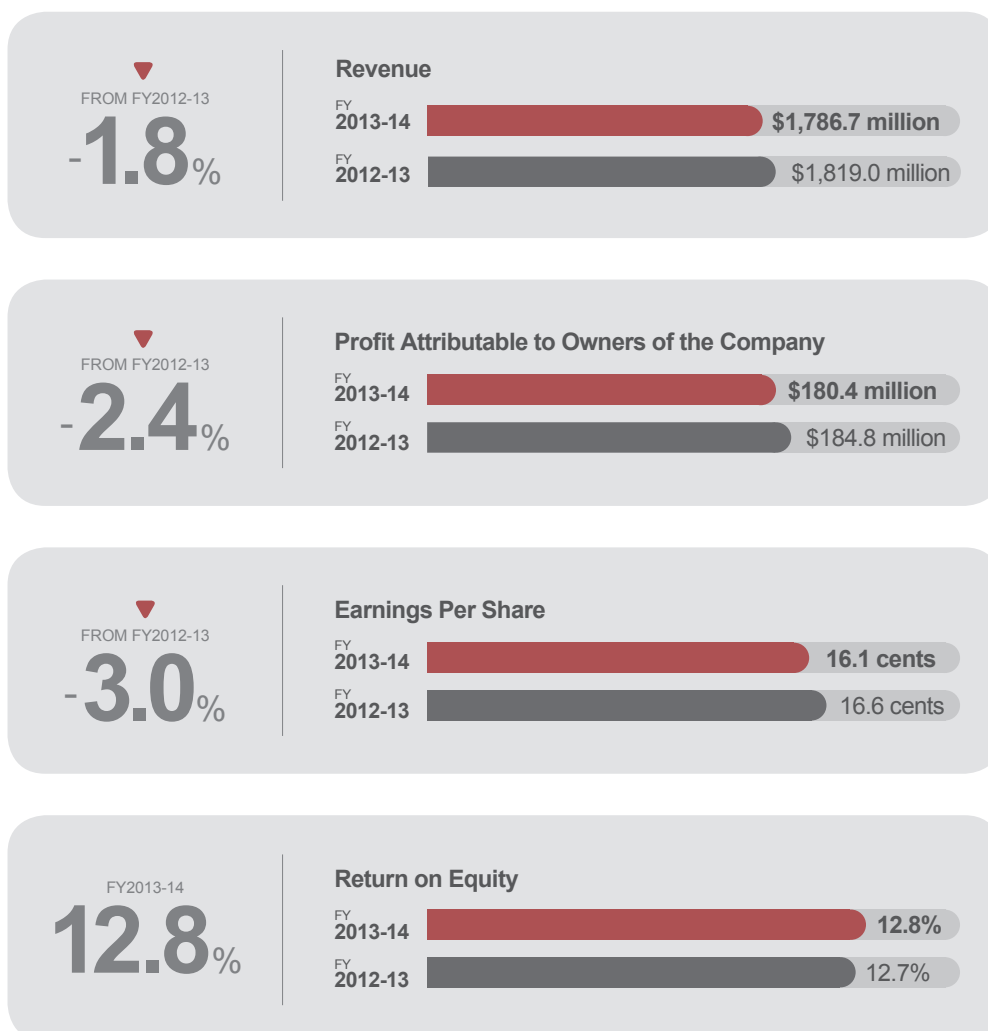
Seamless co-ordination across our extensive operations enables us to better connect our customers and passengers at different gateways throughout Asia.

New technologies, our culture of innovation and the passion of our people are creating new opportunities to invent new ways of working and drive greater efficiencies.

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Key Figures



For the financial year ended 31 March 2014, Group revenue decreased 1.8% year-on-year to \$1.79 billion due to lower food revenue (-5.2%), offset partially by higher gateway revenue (+4.5%). Operating expenditure decreased 0.7% to \$1.62 billion and operating profit fell 11.1% to \$171 million. Profit attributable to owners of the Company decreased 2.4% to \$180.4 million and excluding one-off items, underlying net profit from continuing operations was \$183 million. Earnings per share was 3% lower at 16.1 cents and the Group generated a return on equity of 12.8%, 0.1 percentage point higher year-on-year.

Five-Year Group Financial and Operational Summary

| | FY2013-14 | FY2012-13 Restated [^] | FY2011-12 Restated [^] | FY2010-11 Restated [^] | FY2009-10 |
|--|----------------|------------------------------------|------------------------------------|------------------------------------|-----------|
| Income Statement (\$ million) | | | | | |
| Total revenue | 1,786.7 | 1,819.0 | 1,871.6 | 1,729.1 | 1,538.9 |
| Operating profit | 171.0 | 192.3 | 165.7 | 184.5 | 184.4 |
| Share of results of associates/ joint venture, net of tax | 47.2 | 52.7 | 41.2 | 46.9 | 46.1 |
| Profit after tax | 182.1 | 184.8 | 175.0 | 191.8 | 182.1 |
| Profit attributable to owners of the Company | 180.4 | 184.8 | 170.9 | 191.4 | 181.2 |
| Statement of Financial Position (\$ million) | | | | | |
| Equity holders' funds | 1,416.8 | 1,403.4 | 1,508.3 | 1,523.0 | 1,481.8 |
| Non-controlling interests | 97.6 | 96.8 | 105.8 | 100.1 | 18.3 |
| Total Equity | 1,514.4 | 1,500.2 | 1,614.1 | 1,623.1 | 1,500.1 |
| Property, plant and equipment | 567.9 | 592.2 | 653.9 | 741.9 | 594.4 |
| Investment properties | 9.2 | 11.3 | 13.5 | 16.2 | 6.5 |
| Other non-current assets | 718.1 | 619.5 | 625.0 | 872.4 | 822.5 |
| Current assets | 724.6 | 780.3 | 831.2 | 687.6 | 485.7 |
| Total assets | 2,019.8 | 2,003.3 | 2,123.6 | 2,318.1 | 1,909.1 |
| Non-current liabilities | 175.9 | 193.0 | 237.2 | 201.4 | 131.7 |
| Current liabilities | 329.5 | 310.1 | 272.3 | 493.6 | 277.3 |
| Total liabilities | 505.4 | 503.1 | 509.5 | 695.0 | 409.0 |
| Net Assets | 1,514.4 | 1,500.2 | 1,614.1 | 1,623.1 | 1,500.1 |
| Financial Ratios | | | | | |
| Return on equity (%) | 12.8 | 12.7 | 11.3 | 12.7 | 12.6 |
| Return on total assets (%) | 9.1 | 9.0 | 7.9 | 9.1 | 9.2 |
| Net margin (%) | 10.2 | 10.2 | 9.4 | 11.1 | 11.8 |
| Debt-equity ratio (times) | 0.08 | 0.09 | 0.10 | 0.12 | 0.02 |
| Economic value added (EVA) (\$ million) | 39.9 | 68.5 | 42.7 | 68.3 | 67.2 |
| Productivity and Employee Data | | | | | |
| Value added (\$ million) | 1,011.4 | 1,018.3 | 1,014.7 | 916.9 | 802.8 |
| Value added per employee (\$) | 69,222 | 70,732 | 69,475 | 69,200 | 67,283 |
| Value added per \$ employment cost (times) | 1.43 | 1.48 | 1.50 | 1.60 | 1.66 |
| Revenue per employee (\$) | 122,284 | 126,354 | 128,148 | 130,500 | 128,974 |
| Staff costs per employee (\$) | 48,254 | 47,705 | 46,305 | 43,212 | 40,533 |
| Average number of employees | 14,611 | 14,396 | 14,605 | 13,250 | 11,932 |

| | FY2013-14 | FY2012-13 Restated [^] | FY2011-12 Restated [^] | FY2010-11 Restated [^] | FY2009-10 |
|---|---------------|------------------------------------|------------------------------------|------------------------------------|-----------|
| Per Share Data | | | | | |
| Earnings after tax | | | | | |
| - Basic (cents) | 16.1 | 16.6 | 15.4 | 17.4 | 16.7 |
| - Diluted (cents) | 16.0 | 16.5 | 15.4 | 17.3 | 16.7 |
| Net assets value per share (cents) | 126.6 | 126.0 | 136.0 | 137.5 | 136.9 |
| Dividends | | | | | |
| Interim dividend per share (cents) | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Final and special dividends per share (cents) | 8.0 | 10.0 | 21.0 | 12.0 | 8.0 |
| Dividend cover (times) | 1.2 | 1.1 | 0.6 | 1.0 | 1.3 |
| Dividend payout (%) | 80.8 | 90.7 | 168.6 | 98.4 | 78.5 |
| Cash Flows (\$ million) | | | | | |
| Cash flows from operations | 288.3 | 277.5 | 210.7 | 250.2 | 302.8 |
| Free cash flow | 189.8 | 208.1 | 103.7 | 132.1 | 188.9 |
| Capital expenditure | 57.1 | 37.8 | 64.3 | 68.1 | 64.1 |
| Operating Statistics | | | | | |
| Cargo/mail processed (million tonnes) | 1.50 | 1.46 | 1.50 | 1.49 | 1.41 |
| Passengers handled (million) | 43.47 | 41.23 | 37.92 | 35.38 | 32.99 |
| Gross meals produced (million) | 26.11 | 28.26 | 26.50 | 25.06 | 23.47 |
| Flights handled (thousand) | 134.09 | 123.01 | 115.19 | 103.73 | 96.28 |

Notes:

1. SATS' financial year is from 1 April to 31 March. Throughout this report, all financial figures are stated in Singapore Dollars and include both continuing and discontinued operations, unless otherwise stated.
2. Return on equity is the profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds.
3. Debt-equity ratio is gross debt divided by equity attributable to owners of the Company at 31 March.
4. Basic earnings per share is computed by dividing the profit attributable to owners of the Company by the weighted average number of fully paid shares in issue.
5. Diluted earnings per share is computed by dividing the profit attributable to owners of the Company by the weighted average number of fully paid shares in issue after adjusting for dilution of shares under the various employee share plans.
6. Net asset value per share is computed by dividing equity attributable to owners of the Company by the ordinary shares (excluding treasury shares) in issue at 31 March.
7. Dividend cover is derived by dividing profit attributable to owners of the Company by total dividend (net of tax).
8. Dividend payout ratio is derived by dividing total dividend (net of tax) by profit attributable to owners of the Company.
9. Free cash flow comprises of cash flows from operating activities less cash purchases of capital expenditure.
10. Final dividend for FY2013-14 is subject to shareholders' approval at the forthcoming Annual General Meeting.
11. Gross meals produced refer to airline meals catered at Singapore Changi Airport but exclude meals sold on board low-cost carriers.

[^] Restatement was due to the adoption of Revised FRS 19 Employee Benefits.

Chairman's Statement



Our mission is to be the first-choice provider of food solutions and gateway services by delighting customers with our innovation and passion. To achieve this, we will leverage our world-class facilities, comprehensive suite of services and new technologies to give us scale advantages and improve connectivity for our customers.



Edmund Cheng
Chairman



Dear Shareholders,

For the financial year in review, SATS operated in a very challenging business environment. Uncertainty in the global economy, pressure on airline profits arising from overcapacity in Asia and competition from the Middle Eastern carriers, as well as increased manpower costs continued to weigh on our performance. In addition, we had to grapple with lower meal volumes due to the shift of Qantas Airways' transit hub from Singapore to Dubai and the foreign exchange translation impact arising from the weakening of the Japanese Yen.

As a result, our revenue declined 1.8% year-on-year to \$1.79 billion and profit attributable to owners of the Company dropped 2.4% to \$180.4 million. Our return on equity was 12.8%, up from 12.7% a year ago. As at 31 March 2014, our total assets grew marginally to \$2.02 billion while cash and cash equivalents declined 16% to \$339.6 million due mainly to dividends paid to shareholders and our \$118.3 million investment in PT Cardig Aero Services (CAS). Free cash flow generated during the year amounted to \$189.8 million and debt-equity ratio was a healthy 0.08 times.

Taking into consideration our financial performance as well as capital management and long-term growth objectives, your Board of Directors has proposed a final ordinary dividend of 8 cents per share. Including the interim ordinary dividend of 5 cents per share paid on 5 December 2013, the total dividend of 13 cents per share translates to a dividend payout ratio of 80.8%. If approved at the forthcoming Annual General Meeting on 23 July 2014, the proposed dividend will be paid on 13 August 2014.

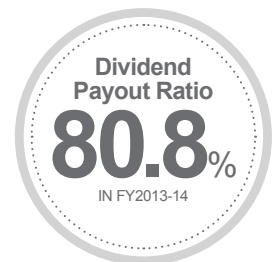
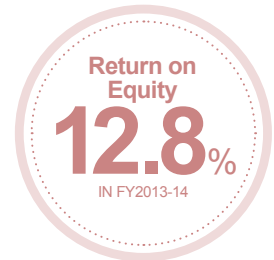
Growing Scale, Enhancing Connectivity

SATS has set a clear direction to realise our refreshed vision to be Asia's leading food solutions and gateway services company. We will operate state-of-the-art facilities to provide food solutions that delight our customers and improve connectivity for our customers through our comprehensive gateway services across the region.

Our mission is to be the first-choice provider of food solutions and gateway services by delighting customers with our innovation and passion. To achieve this, we will leverage our world-class facilities, comprehensive suite of services and new technologies to give us scale advantages and improve connectivity for our customers.

We are also constantly on the lookout for ways to do more, with greater efficiency and cost-effectiveness. SATS has been championing productivity improvements for years, powered by our shared values of innovation and collaboration. New technology is multiplying opportunities for us to invent new ways of working and drive greater efficiencies to address rising manpower costs.

Moreover, the seamless coordination of our extensive operations will enable us to better connect our customers and passengers at different gateways across Asia, saving them valuable time, providing greater convenience and improving reliability.



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Chairman's Statement



As a responsible corporate citizen, our duties lie not just with our shareholders, but also with the communities where we live and work. We believe in active citizenship as a means of giving back and strengthening connectivity with our communities.



Growing Market

Our focus continues to be on Asia including the Middle East, with Indonesia, China, and India as our priority markets first. We know we can scale up further and better connect our extensive operations across the region.

Asia's middle-class population is booming. Rising affluence goes hand-in-hand with increasing demand for travel and high quality, cosmopolitan food. We are poised to capitalise on these growth trends with our state-of-the-art facilities and comprehensive suite of services, which will give us the scale we need to serve both the existing and emerging needs of our customers.

In our home market, the expansion of Changi Airport is progressing steadily. Terminal 4's completion in 2017 will increase the airport's capacity by 16 million to 82 million passengers. The third runway will be ready by early 2020s. Terminal 5, to be operational in mid-2020s, will double the existing handling capacity of Changi Airport to 135 million passengers. These plans represent

opportunities to extend our partnerships with new and existing customers.

At the same time, there are new business models emerging from the aviation industry as low-cost carriers challenge the status quo. We will align our resources to meet the changing priorities of our customers and to help them accelerate the generation of new revenue streams. This strategy will enable us to stay ahead of the curve whilst capturing the significant growth opportunities across Asia.

Seeking Value-Creating Opportunities

In February this year, we made a strategic move to acquire a 41.65% equity stake in CAS for \$118.3 million. CAS is the leading gateway and food service provider in Indonesia with a presence in 23 cities and 17 airports across the country. Indonesia is an attractive market where domestic passenger traffic is projected to grow at an annual rate of close to 20%, reaching 180 million passengers by 2021 while

international passenger traffic is expected to grow at 5.4% per annum, up till 2017. SATS has developed a successful partnership with CAS over the last 10 years through our associate, PT Jasa Angkasa Semesta. We look forward to collaborating with CAS to add scale to our presence in Indonesia and improve connectivity for our customers.

Connecting with the Community

As a responsible corporate citizen, our duties lie not just with our shareholders, but also with the communities where we live and work. We believe in active citizenship as a means of giving back and strengthening connectivity with our communities.

The SATS Foundation forms the cornerstone of our efforts to connect with the community, through initiatives which are geared towards the long-term by enabling and empowering its beneficiaries. This year, the SATS Foundation maintained its support for the Assumption Pathway School (APS) as well

as RSVP Singapore. APS caters to students who are unable to enter secondary school, based on their Primary School Leaving Examination results while RSVP Singapore is a non-profit organisation that aims to promote and enable senior volunteerism.

Community support must be an organisation-wide effort and our employees continue to be a driving force behind our charitable work throughout the year. In the last 12 months, the SATS Staff Association that brings our employees together in meaningful community service work, has supported nearly 30 different projects and events. Our employees rose to the occasion, pouring in time, effort and personal financial resources into supporting these good causes.

In July last year, we partnered with Metta School to commission a special art project involving its special needs students. SATS senior management visited the school and worked with its students



to create Hari Raya-themed coasters which were given out to our staff as tokens of appreciation. We raised nearly \$40,000 for the students through this project.

In November, we were deeply saddened to learn of the damage wrought by Typhoon Haiyan in the Philippines. Working hand-in-hand with our local associate, MacroAsia Catering Services, we delivered 23,000 ready-to-eat meals to affected areas, which we hope had played some small part in easing the challenges faced by the victims in the wake of the disaster. Similarly, we partnered with PT Jasa Angkasa Semesta to provide ready-to-eat meals to the victims affected by the flooding in Jakarta in January this year.

Acknowledgements

With the strong support of our staff and management, the leadership transition since July 2013 had been a smooth one. On 1 January 2014, Alex Hungate took over as President and Chief Executive Officer from Tan Chuan Lye. Having served on the Board since July 2011, Alex is no stranger to SATS and the Company is already benefiting from his global leadership experience.

I am pleased to inform you that Chuan Lye has been appointed as Chairman of Food Solutions. A large part of his career was spent leading and transforming SATS' food business into what it is today, so there can be no better person than Chuan Lye to take on this new role.

We are also privileged to have two new directors, Euleen Goh and Yap Chee Meng, come on board during the year. Euleen brings her

strong grounding in banking and finance to bear in her role as Chairman of the Audit Committee while Chee Meng joins us as Chairman of the Risk and Safety Committee with his wealth of experience in finance and strategy development. I would like to take this opportunity to thank my fellow Board members for their invaluable contributions and wise counsel.

For the forthcoming Annual General Meeting of the Company, two of our fellow Directors Keith Tay and David Heng have elected to retire from the Board. I am sad to bid farewell to Keith and David who have served close to seven and five years on the Board respectively. Keith has contributed immeasurably through his active participation and invaluable experience while David has also served with distinction on the Board. On behalf of the Company and the Board, I wish to express our deep appreciation for their unstinting service and wish them well in their future endeavours.

My sincere thanks go also to our customers, business partners and staff unions for their trust and unwavering support, as well as to you, our shareholders, for your continued confidence and loyalty.

Finally, I would like to extend my utmost gratitude to our dedicated employees who are driven to give their best to achieve the Company's objectives and have been the cornerstone of our growth and success throughout the years.

Edmund Cheng

Chairman

28 May 2014

PCEO's Statement

“

Despite the ongoing strong headwinds in regional aviation, the management team and I are confident that we can return SATS to profitable growth. ”

Alex Hungate

President and Chief Executive Officer

Dear Shareholders,

It is a pleasure to lead a team of about 14,500 dedicated people who are passionate about what they do and work hard every day to make SATS Asia's leading food solutions and gateway services company.

Despite the ongoing strong headwinds in regional aviation, the management team and I are confident that we can return SATS to profitable growth.

FY2013-14 was a challenging year for us, with rising wage costs and airlines profitability coming under pressure from overcapacity in Asia and intense competition from the Middle East.

Our revenue declined 1.8% year-on-year to \$1.79 billion. This was due to lower revenue from our food solutions business. Our unit meal volumes at Changi Airport dropped 5.8% mainly because of Qantas Airways moving its hub for European flights from Singapore to Dubai. The weakening of the Japanese Yen also resulted in a translation loss on TFK's revenue.

Higher revenue from our gateway services business helped to mitigate the lower revenue from food solutions. During the year, we handled higher volumes of flights and airfreight. Our unit services grew 6.6% while cargo throughput improved 2.6%, with express cargo and perishable segments recording the highest year-on-year growth.

However, the trend of rising staff costs, resulting from a tight labour market, continued during the year. As a result, our operating profit declined 11.1% to \$171 million and operating margin contracted by 1 percentage point to 9.6%.

Our share of profits from our associates and joint venture around the region declined 10.4% year-on-year to

\$47.2 million. This was due mainly to the poorer performance of some of our gateway associates and joint venture arising from lower cargo volumes and higher manpower costs.

Overall, profit attributable to owners of the Company dropped 2.4% to \$180.4 million.

Operational Excellence

We take pride in our premium service levels and aim to be the first-choice provider in every market in which we operate. So, we are always heartened when others recognise our efforts.

At the recent biennial Food and Hotel Asia Culinary Challenge, SATS emerged as champion in the Gourmet Team category, beating nine other teams across Asia to clinch this prestigious title. Besides this and a gold medal in the Gourmet Team category, eight of our participating chefs also picked up one gold, two silver and five bronze medals in the individual categories. These wins are a testament to all our chefs' commitment and efforts in creating tantalising, top-rated food every day for our customers worldwide.

In February this year, our on-airport perishable handling facility, SATS Coolport, was certified by the International Air Transport Association as the world's first Centre of Excellence for Pharmaceutical Handling. This certification gives pharmaceutical companies the guarantee of excellence in service and helps them save resources on facility audits. It also provides airlines and global shippers further assurance that their pharmaceutical shipments are handled to the most exacting standards at Coolport.

SATS was named the Best Air Cargo Terminal in Asia for the 15th time at the Asian Freight and Supply Chain Awards 2013 while AISATS, our



In February this year, our on-airport perishable handling facility, SATS Coolport, was certified by the International Air Transport Association as the world's first Centre of Excellence for Pharmaceutical Handling.

PCEO's Statement

joint venture company in India, garnered the Excellence Award for Air Cargo Terminal Management at the Indian Chamber of Commerce Supply Chain and Logistics Excellence Awards 2014.

Two of our staff, Tan Beng Luan, a Lost and Found Duty Manager and Christina Dong Qing, a Customer Services Agent, won Changi Airport's Service Personality of the Year and Service Staff (Bronze) Awards respectively.

To meet the growing trend of healthy eating, we successfully developed and launched healthier choice meals on board Scoot flights early this year. Two of our tray meals, namely Beef Bourguignon Pasta Stew and Thai Red Curry Vegetables with Mixed Brown Rice, are the first inflight meals to be officially licensed by the Health Promotion Board, Singapore to bear its Healthier Choice Symbol.

Finally, to benefit from our unique scale advantage in Singapore, we launched a quick response team known as the SATS YES Team in September last year to support our airline clients in the event of major flight disruptions. Comprising nearly 200 non-operations staff volunteers, the YES Team is trained to help airlines provide recovery services to their passengers in the face of adversity. It clearly underscores the commitment of our whole company to supporting our customers.

Competitive Success

SATS is Asia's leading provider of food solutions and gateway services.

In our home market, we have approximately 80% market share at Changi Airport. We offer a comprehensive suite of services that is necessary to turn around an

aircraft. In FY2013-14, we secured a total of about 40 airline contracts and added Cathay Pacific Cargo, Ethiopian Airlines, Spring Airlines and Uzbekistan Airways to our client roster. At the Marina Bay Cruise Centre, we welcomed several new vessels including Mariner of the Seas, Silver Whisper, Sea Princess, Crystal Serenity and Costa Atlantica; we handled close to 110 ship calls and about 416,000 passengers for the year in review.

In Japan, our inflight catering subsidiary TFK serves 40 airlines across its operations at both Narita and Haneda airports, where it holds a market share of around 50% and 40% respectively. During the year, TFK secured new contracts with Philippine Airlines, Shanghai Airlines, Spring Japan Airlines and Vanilla Air, and renewed five contracts with existing airline customers.

Our wholly-owned subsidiary SATS HK, meanwhile, won nine new customers and renewed contracts with another four to bring its client roster to a total of 46 airlines. This represents a new record market share of 30% at Hong Kong International Airport.

We have also grown our non-aviation food business, benefiting from the scale of our state-of-the-art catering facilities. At the Singapore Indoor Stadium which is part of the upcoming Singapore Sports Hub, we have catered to a total of 19 events including popular concerts by Bruno Mars and Eric Clapton. We have secured catering contracts with hospitals in Tokyo and Abu Dhabi through TFK and Food And Allied Support Services Corporation respectively. At the same time, our Beijing associate has won new contracts supplying food to retailers like IKEA and 7-Eleven from its inflight kitchen;

and similarly, our Manila associate has won new institutional catering contracts with Google Philippines to provide staff meals and with the Asian Development Bank for food services management.

As we continue to grow our business and deepen our presence across Asia, particularly in our priority markets of China, India and Indonesia, it is critical that we link our operations to grow scale and create unique service offerings that will address the existing and emerging needs of our customers.

Our investment in PT Cardig Aero Services is a good case in point. This strategic investment represents more than just an additional flag on the map – it forms another node in our growing extensive regional network. By linking each of our gateways together, we can then offer our customers and passengers enhanced connectivity and smooth, hassle-free journeys.

Looking Ahead

In the next 12 months, the regional aviation landscape will continue to be challenging while excess capacity remains in the system.

At Changi Airport, we have observed a moderating trend in passenger traffic. A stronger Singapore Dollar continues to affect inbound tourist arrivals while slowing growth in China is dampening the Chinese demand for travel around this region. Nonetheless, the fundamentals of the Singapore air hub remain strong and Asia's structural growth prospects are intact in the medium-to long-term. The prospects for our priority markets of China, India and Indonesia remain attractive and demand for safe travel and quality food will continue to grow.

SATS is well-placed to capture the opportunities before us and sharpen our core competencies in food and gateway. While we did not proceed with the acquisition of Singapore Cruise Centre, our commitment to grow our cruise operations in Singapore and our ambition to pursue regional cruise opportunities remain strong. With a clear strategy and a healthy balance sheet, we remain disciplined in assessing organic growth and value-creating opportunities that have a strategic fit with our business. We will deploy our capital productively to earn the best returns on a risk-adjusted basis and continually invest in state-of-the-art technologies that offer greater efficiencies and lower our operating costs in the long run. At the same time, we will consciously strike a balance between investing for growth and rewarding our shareholders.

While we are making progress, there is still more work to be done. We must transform our operations to improve service and productivity. New technologies, together with our culture of innovation and the passion of our people, will create exciting opportunities to invent new ways of working and drive greater efficiencies. Process automation will be key: self check-in for passengers, driverless ground support equipment, and the use of robotics in our kitchens, are all on the cards to lower our operating costs.

Our People

At the start of 2014, I shared our refreshed vision and mission for SATS with everyone in the Company to set a clear direction for growth. The management team and I discussed our strategy in detail with the line managers, and they in turn cascaded the discussion down to their teams. At every level, our

people are actively thinking about how we can work together to implement our strategy.

In parallel, we launched several new transformational human capital initiatives during the year. They include the SATS Ambassador Programme which aims to facilitate a deeper understanding amongst our people of the Company's core values of safety and security, trust, innovation, collaboration and excellence; and the Innovation and Productivity Launch which aims to grow our innovative culture by encouraging improvements in our work processes and the development of new products and services.

We believe that these new programmes, along with existing initiatives like the Annual Excellence Conference, which recognises innovation and cascades best practices across our regional operations; and the Annual Safety Campaign, which reinforces a strong safety culture in the Group, have created a fertile environment for learning, development and talent management at SATS. In fact, at the Singapore HR Awards 2013, we were honoured to receive the Leading HR Practices Award in two categories, namely Learning & Human Capital Development, and Talent Management, Retention & Succession Planning.

Recently, we successfully concluded two new collective agreements with our unions, which we are confident will drive mutual benefits for both the Company and our people. Working with the Air-Transport Executive Staff Union, we introduced a performance-based wage component to the remuneration packages of our Administrative Officers for the first time. This

will help bolster SATS' performance-driven culture and ensure our people are rightfully rewarded for their contributions to the Company's success.

Our new collective agreement with the SATS Workers' Union will help to promote a Singaporean core workforce, improve productivity by encouraging upskilling, and introduce a progressive wage model for critical operational positions. This will support our drive for productivity improvements, promote a performance-driven culture as well as enhance our competitiveness for the long-term.

In closing, our people are working hard to implement our scale and connectivity strategy and I would like to thank them for their dedication and support. I am confident that with the expertise, creativity and passion of this committed team across the region, SATS will continue to prosper and grow.

Alex Hungate

President and Chief Executive Officer

28 May 2014

Financial Calendar

Financial year ended 31 March 2014

Announcement of 1Q FY2013-14 results
Results conference call with live webcast

Payment of final and special dividends

Announcement of 2Q FY2013-14 results
Results conference call with live webcast

Payment of interim dividend

Announcement of 3Q FY2013-14 results
Results conference call with live webcast

Announcement of 4Q FY2013-14 results
Results briefing for analysts and media
with live webcast

Despatch of Summary Report
to shareholders

Despatch of Annual Report
to shareholders

41st Annual General Meeting

Book closure date

Proposed payment of final dividend



25 July
2013

16 August
2013

5 November
2013

5 December
2013

11 February
2014

22 May
2014

25 June
2014

9 July
2014

23 July
2014

4 August
2014

13 August
2014

Financial year ending 31 March 2015

Proposed announcement of 1Q
FY2014-15 results

Proposed announcement of 2Q
FY2014-15 results

Proposed announcement of 3Q
FY2014-15 results

Proposed announcement of 4Q
FY2014-15 results



22 July
2014

13 November
2014

January/
February
2015

May
2015

BOARD OF DIRECTORS

Edmund Cheng Wai Wing (Chairman)
Alexander Charles Hungate
(Executive Director)
David Zalmon Baffsky
Euleen Goh Yiu Kiang
David Heng Chen Seng
Nihal Vijaya Devadas Kaviratne CBE
Koh Poh Tiong
Keith Tay Ah Kee
Yap Chee Meng
Leo Yip Seng Cheong

BOARD COMMITTEES

Audit Committee

Euleen Goh Yiu Kiang (Chairman)
Nihal Vijaya Devadas Kaviratne CBE
Koh Poh Tiong
Keith Tay Ah Kee

Board Executive Committee

Edmund Cheng Wai Wing (Chairman)
Euleen Goh Yiu Kiang
Alexander Charles Hungate
Keith Tay Ah Kee

Board Risk and Safety Committee

Yap Chee Meng (Chairman)
David Heng Chen Seng
Nihal Vijaya Devadas Kaviratne CBE

Nominating Committee

David Zalmon Baffsky (Chairman)
Keith Tay Ah Kee
Leo Yip Seng Cheong

Remuneration and Human

Resource Committee

Edmund Cheng Wai Wing (Chairman)
David Zalmon Baffsky
Koh Poh Tiong
Leo Yip Seng Cheong

COMPANY SECRETARIES

Prema d/o K Subramaniam
Andrew Cheong Fook Onn
Tan Wan Hoon
(Assistant Company Secretary)

SHARE REGISTRAR

M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

AUDITORS

Ernst & Young LLP

Public Accountants and
Chartered Accountants
One Raffles Quay
North Tower #18-01
Singapore 048583

Audit Partner

Nagaraj Sivaram
(appointed since FY2010-11)

COMPANY REGISTRATION NO.

197201770G

REGISTERED OFFICE

20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

EXECUTIVE MANAGEMENT

Alexander Charles Hungate
President and Chief Executive
Officer

Tan Chuan Lye

Chairman,
Food Solutions

Cho Wee Peng

Chief Financial Officer

Ferry Chung Qing An

Executive Vice President,
Enterprise Development

Yacoob Bin Ahmed Piperdi

Executive Vice President,
Gateway Services

Wong Hong

Executive Vice President,
Food Solutions

Helen Chan Yin Foong

Senior Vice President,
Finance

Chang Seow Kuay

Senior Vice President,
Institutional Catering

Tony Goh Aik Kwang

Senior Vice President,
Sales and Marketing

Leong Kok Hong

Senior Vice President,
Greater China

Andrew Lim Cheng Yueh

Senior Vice President,
Passenger Services

Denis Suresh Kumar Marie

Senior Vice President,
Apron Services and Security
Services

Poon Choon Liang

Advisor,
Singapore Food Industries Pte. Ltd.

Prema d/o K Subramaniam

Senior Vice President,
Legal and Secretariat,
General Counsel and
Company Secretary

Tan Li Lian

Senior Vice President,
Human Capital

Peter Tay Kay Phuan

Senior Vice President,
Inflight Catering

Ronald Yeo Yoon Choo

Senior Vice President,
Cargo Services

Directors' Report

IMPORTANT NOTE:

The Summary Financial Report as set out on pages 14 to 30 does not contain sufficient information to allow for a full understanding of the results and state of affairs of the Company or of the Group. For further information, the full annual financial statements, the Auditor's Report on those financial statements, and the Directors' Report should be consulted. Shareholders may request a copy of the Annual Report at no cost from the Company Secretary. Please use the request form at the end of this Summary Report.

The Directors are pleased to present their report 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 2014.

1. DIRECTORS

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

| | |
|------------------------------------|-------------------------------|
| Edmund Cheng Wai Wing | Chairman |
| David Zalmon Baffsky | |
| David Heng Chen Seng | |
| Alexander Charles Hungate | |
| Nihal Vijaya Devadas Kaviratne CBE | |
| Koh Poh Tiong | |
| Keith Tay Ah Kee | |
| Leo Yip Seng Cheong | |
| Euleen Goh Yiu Kiang | (appointed on 1 August 2013) |
| Yap Chee Meng | (appointed on 1 October 2013) |

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this report, 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.

3. 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 Singapore Companies Act, Cap. 50, an interest in shares and share options of the Company as stated below:

| Name of Director | Direct interest | | Deemed interest | |
|---|---|------------------------------|---|------------------------------|
| | At the beginning of financial year or date of appointment | At the end of financial year | At the beginning of financial year or date of appointment | At the end of financial year |
| Ordinary Shares | | | | |
| Keith Tay Ah Kee | 35,000 | 35,000 | — | — |
| Euleen Goh Yiu Kiang | 2,774 | 2,774 | — | — |
| Award under SATS Restricted Share Plan ("RSP") | | | | |
| Alexander Charles Hungate* | — | 207,236 | — | — |

* Alexander Charles Hungate was appointed as Executive Director on 16 July 2013 and as President and Chief Executive Officer on 1 January 2014. He was granted a base award under the SATS RSP for FY2013-14 on 16 July 2013. The number of shares awarded to him under the SATS RSP will vest over a two-year period; there will be no performance conditions for vesting.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2014.

Except as disclosed in this report, 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.

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

5. SHARE-BASED PAYMENTS

(i) Employee Share Option Plan

The SATS Employee Share Option Plan (the "**Share Option Plan**"), which comprises the Senior Executive Share Option Scheme for senior executives and the Employee Share Option Scheme for all other employees, was adopted in connection with the initial public offering undertaken by the Company in 2000 and a summary of which was set out in the Prospectus issued by the Company dated 4 May 2000. The Share Option Plan was modified at an Extraordinary General Meeting held on 7 July 2001 and was subsequently modified by the Company (as announced on 4 June 2003) and at Extraordinary General Meetings held on 19 July 2003 and 20 July 2004.

Under the Share Option Plan, all options to be issued will have a term no longer than 10 years from the date of grant. The exercise price of the option will be the average of the closing prices of the Company's ordinary shares on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the five market days immediately preceding the date of grant. The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any right to participate in any share issue of any other company.

Under the Employee Share Option Scheme, options will vest two years after the date of grant. Under the Senior Executive Share Option Scheme, options will vest:

- (a) one year after the date of grant for 25% of the ordinary shares subject to the options;
- (b) two years after the date of grant for an additional 25% of the ordinary shares subject to the options;
- (c) three years after the date of grant for an additional 25% of the ordinary shares subject to the options; and
- (d) four years after the date of grant for the remaining 25% of the ordinary shares subject to the options.

No options have been granted to Directors of the Company, controlling shareholders of the Company or their associates. No employee has received 5% or more of the total number of options available under the Share Option Plan. The Company has ceased to issue further grants of share options since the last grant in July 2008.

At the end of the financial year, options to take up 15,364,485 unissued ordinary shares in the Company were outstanding:

| Date of grant | Balance at 1.4.2013 | Forfeited/ Lapsed | Exercised | Balance at 31.3.2014 | Exercise price * | Exercisable period |
|---------------|---------------------|----------------------|-------------|----------------------|------------------|-------------------------|
| 01.07.2003 | 445,050 | (143,800) | (301,250) | – | \$1.21 | 01.07.2004 - 30.06.2013 |
| 01.07.2004 | 1,698,400 | (36,400) | (742,450) | 919,550 | \$1.79 | 01.07.2005 - 30.06.2014 |
| 01.07.2005 | 3,948,900 | (81,200) | (1,101,300) | 2,766,400 | \$1.97 | 01.07.2006 - 30.06.2015 |
| 03.07.2006 | 3,194,100 | (113,625) | (1,041,440) | 2,039,035 | \$1.80 | 03.07.2007 - 02.07.2016 |
| 02.07.2007 | 12,383,200 | (288,600) | (5,101,700) | 6,992,900 | \$2.76 | 02.07.2009 - 01.07.2017 |
| 01.07.2008 | 4,384,000 | (113,300) | (1,624,100) | 2,646,600 | \$1.92 | 01.07.2010 - 30.06.2018 |
| | 26,053,650 | (776,925) | (9,912,240) | 15,364,485 | | |

* Following approval by the Company's shareholders of the declaration of a special dividend of \$0.04 per share on 26 July 2013, the Committee administering the Share Option Plan has approved a \$0.04 reduction in the exercise prices of all share options outstanding on 19 August 2013. The exercise prices reflected here are the exercise prices after such adjustment (except the expired grant). The Company has accounted for the modification in accordance with FRS 102. As the incremental fair value of the share options resulted from the modification is \$NIL, no adjustment is made to the share-based payment expenses.

5. SHARE-BASED PAYMENTS (cont'd)

(ii) 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.

In respect of RSP and PSP grants for FY2009-10, the final number of restricted shares and performance shares awarded could range between 0% and 150% of the initial restricted grants and between 0% and 200% of the initial grant of performance shares, depending on the achievement of pre-determined targets over a two-year period for the RSP and a three-year period for the PSP.

In respect of RSP and PSP grants with effect from FY2010-11 to FY2012-13, the final number of restricted shares awarded is 100% of the restricted grants and for performance shares, between 0% and 200% of the initial grant of performance shares.

In respect of FY2013-14 RSP and PSP grants, the final number of restricted shares and performance shares awarded could range between 0% and 120% of the initial restricted grants and between 0% and 150% of the initial grant of performance shares, depending on the achievement of pre-determined targets over a one-year period for the RSP and a three-year period for PSP.

For the years prior to FY2010-11, based on meeting stated performance conditions over a two-year performance period, 50% of the RSP award will vest and the balance will vest equally over the subsequent two years with fulfilment of service requirements. For grants from FY2010-11 to FY2012-13, the RSP award will vest over a four-year period; there will be no performance condition for vesting. The PSP award will vest based on meeting stated performance conditions over a three-year performance period.

With effect from FY2013-14, the RSP award based on meeting stated performance conditions over a one-year performance period, will vest over a three-year period. For the grant on 16 July 2013, the RSP will vest over a two-year period without performance condition. The PSP award will vest based on meeting stated performance conditions 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:

| | |
|-----------------------|----------|
| Edmund Cheng Wai Wing | Chairman |
| David Zalmon Baffsky | Member |
| Koh Poh Tiong | Member |
| Leo Yip Seng Cheong | Member |

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

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

RSP

| Date of grant | Balance at 1.4.2013/ Date of grant | Number of restricted shares | | | Balance at 31.3.2014 |
|---------------|---------------------------------------|-----------------------------|-----------|--------------------------|----------------------|
| | | Vested | Forfeited | Adjustments [#] | |
| 12.11.2009 | 64,800 | (64,476) | (324) | – | – |
| 02.08.2010 | 417,960 | (204,500) | (20,935) | 2,327 | 194,852 |
| 01.08.2011 | 145,800 | (48,600) | – | 1,166 | 98,366 |
| 03.08.2011 | 757,984 | (248,400) | (60,344) | 5,615 | 454,855 |
| 01.08.2012 | 966,500 | (241,500) | (84,859) | 8,912 | 649,053 |
| 11.10.2012 | 45,750 | (11,500) | – | 445 | 34,695 |
| 16.07.2013 | 204,779 | – | – | 2,457 | 207,236 |
| 15.11.2013 | 1,558,500 | – | (26,000) | – | 1,532,500 |
| 03.12.2013 | 161,000 | – | – | – | 161,000 |
| | 4,323,073 | (818,976) | (192,462) | 20,922 | 3,332,557 |

[#] Adjustment due to the declaration of a special dividend of \$0.04 per share on 26 July 2013.

5. SHARE-BASED PAYMENTS (cont'd)

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

PSP

| Date of grant | Balance at 1.4.2013/ Date of grant | Number of performance shares | | | Balance at 31.3.2014 |
|---------------|---------------------------------------|------------------------------|-----------|--------------------------|-------------------------|
| | | Vested | Forfeited | Adjustments [#] | |
| 02.08.2010 | 501,120 | (291,600) | (209,520) | – | – |
| 03.08.2011 | 521,379 | – | (22,788) | 6,970 | 505,561 |
| 11.03.2013 | 698,500 | – | (27,342) | 12,429 | 683,587 |
| 15.11.2013 | 874,000 | – | – | – | 874,000 |
| 03.12.2013 | 326,000 | – | – | – | 326,000 |
| | 2,920,999 | (291,600) | (259,650) | 19,399 | 2,389,148 |

Adjustment due to the declaration of a special dividend of \$0.04 per share on 26 July 2013.

Based on the Monte Carlo simulation model, the estimated fair values at the date of grant for each share granted during the year under the RSP ranges from \$2.94 to \$3.17 (2013: \$2.18 to \$2.71) and the estimated weighted average fair values at the date of grant for each share granted during the year under the PSP are \$1.84 and \$1.86 (2013: \$2.68).

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 2014, were 3,332,557 (2013: 2,398,794) and 2,389,148 (2013: 1,720,999) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards could range from 1,639,057 to 3,671,257 (2013: 2,398,794) and zero to a maximum of 4,178,296 (2013: zero to maximum 3,441,998) fully-paid ordinary shares of the Company, for RSP and PSP respectively.

6. AUDIT COMMITTEE

The Audit Committee performed the functions specified in the Singapore Companies Act, Cap. 50. The functions performed are detailed in the Corporate Governance Report.

Directors' Report

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 opines, with the concurrence of the Audit Committee, that the systems of internal controls and risk management (addressing financial, operational, compliance and information technology risks) were adequate and effective as at the date of the report.

8. AUDITORS

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

EDMUND CHENG WAI WING
Chairman

ALEXANDER CHARLES HUNGATE
Executive Director /
President and Chief Executive Officer

Dated this 21 May 2014

Statement by Directors

We, EDMUND CHENG WAI WING and ALEXANDER CHARLES HUNGATE, being two of the Directors of SATS Ltd., do hereby state that in the opinion of the Directors:

- a) the accompanying statements of financial position of the Group and the Company as at 31 March 2014, the statements of changes in equity of the Group and the Company, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; 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.

On behalf of the Board of Directors,

EDMUND CHENG WAI WING
Chairman

ALEXANDER CHARLES HUNGATE
Executive Director /
President and Chief Executive Officer

Dated this 21 May 2014

REPORT ON THE SUMMARY FINANCIAL STATEMENTS

The accompanying summary financial statements of SATS Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the statements of financial position of the Group and the Company as at 31 March 2014, the statements of changes in equity of the Group and the Company, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and related notes, are derived from the audited financial statements of the Company and its subsidiaries for the year then ended. We expressed an unmodified audit opinion on those financial statements in our report dated 21 May 2014.

The summary financial statements do not contain all the disclosures required by the Singapore Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Company and its subsidiaries.

MANAGEMENT'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Section 203A of the Singapore Companies Act, Chapter 50 (the “**Act**”). In preparing the summary financial statements, Section 203A of the Act requires that the summary financial statements be derived from the annual financial statements and the Directors' report for the year ended 31 March 2014 and be in such form and contain such information as may be specified by regulations made thereunder applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Singapore Standard on Auditing 810, “Engagements to Report on Summary Financial Statements”.

OPINION

In our opinion, the summary financial statements are consistent, in all material respects, with the audited financial statements and the Directors' report of the Company and its subsidiaries for the year ended 31 March 2014 from which they are derived and comply with the requirements of Section 203A of the Act and the regulations made thereunder applicable to summary financial statements.

ERNST & YOUNG LLP

Public Accountants and
Chartered Accountants
Singapore

Dated this 21 May 2014

Consolidated Income Statement

for the financial year ended 31 March 2014

| | 2013-14 \$'000 | 2012-13 \$'000 |
|--|--------------------|-------------------|
| Continuing operations | | |
| Revenue | 1,786,688 | 1,818,992 |
| Expenditure | | |
| Staff costs | (788,457) | (765,445) |
| Cost of raw materials | (379,551) | (393,036) |
| Licensing fees | (76,789) | (76,982) |
| Depreciation and amortisation charges | (77,216) | (92,924) |
| Company premise and utilities expenses | (124,921) | (130,484) |
| Other costs | (168,750) | (167,786) |
| | (1,615,684) | (1,626,657) |
| Operating profit | 171,004 | 192,335 |
| Interest on borrowings | (2,930) | (2,600) |
| Interest income | 1,139 | 1,077 |
| Dividends from long-term investment, gross | 1,874 | 1,245 |
| Loss on disposal of property, plant and equipment | (5) | (2,495) |
| Loss on disposal of a subsidiary | – | (366) |
| Share of results of associates/joint venture, net of tax | 47,197 | 52,704 |
| Impairment of assets held for sale | (2,653) | – |
| Other non-operating expenses | (170) | (579) |
| Profit before tax from continuing operations | 215,456 | 241,321 |
| Income tax expense | (33,401) | (39,739) |
| Profit from continuing operations, net of tax | 182,055 | 201,582 |
| Discontinued operations | | |
| Loss from discontinued operations, net of tax | – | (16,801) |
| Profit for the year | 182,055 | 184,781 |
| Profit attributable to: | | |
| Owners of the Company | | |
| Profit from continuing operations, net of tax | 180,387 | 201,565 |
| Loss from discontinued operations, net of tax | – | (16,801) |
| Profit for the year attributable to owners of the Company | 180,387 | 184,764 |
| Non-controlling interests | | |
| Profit from continuing operations, net of tax | 1,668 | 17 |
| | 182,055 | 184,781 |
| Earnings per share from continuing operations attributable to owners of the Company (cents) | | |
| Basic | 16.1 | 18.1 |
| Diluted | 16.0 | 18.0 |
| Earnings per share (cents) | | |
| Basic | 16.1 | 16.6 |
| Diluted | 16.0 | 16.5 |

Consolidated Statement of Comprehensive Income

for the financial year ended 31 March 2014

| | 2013-14 \$'000 | 2012-13 \$'000 (Restated) |
|---|-------------------|---------------------------------|
| Profit for the year | 182,055 | 184,781 |
| Other comprehensive income: | | |
| <u>Items that will not be reclassified to profit or loss:</u> | | |
| Actuarial gain on defined benefit plan | 42 | 5,600 |
| <u>Items that may be reclassified subsequently to profit or loss:</u> | | |
| Net fair value changes on available-for-sale assets | 57 | 221 |
| Foreign currency translation | (14,784) | (25,635) |
| Reclassification of foreign currency translation to profit or loss | – | (221) |
| | (14,727) | (25,635) |
| Other comprehensive income for the year, net of tax | (14,685) | (20,035) |
| Total comprehensive income for the year | 167,370 | 164,746 |
| Total comprehensive income attributable to: | | |
| Owners of the Company | | |
| From continuing operations, net of tax | 171,748 | 190,540 |
| From discontinued operations, net of tax | – | (16,801) |
| | 171,748 | 173,739 |
| Non-controlling interests | (4,378) | (8,993) |
| Total comprehensive income for the year | 167,370 | 164,746 |

Restatement was due to the adoption of Revised FRS 19 Employee Benefits.

Statements of Financial Position

as at 31 March 2014

| | Group | | | Company | |
|--|---------------------|-----------------------------------|----------------------------------|---------------------|---------------------|
| | 31.3.2014 \$'000 | 31.3.2013 \$'000 (Restated) | 1.4.2012 \$'000 (Restated) | 31.3.2014 \$'000 | 31.3.2013 \$'000 |
| Equity attributable to owners of the Company: | | | | | |
| Share capital | 367,947 | 338,423 | 326,229 | 367,947 | 338,423 |
| Treasury shares | (15,688) | (2,069) | (827) | (15,688) | (2,069) |
| Share-based compensation reserve | 13,649 | 17,718 | 18,934 | 13,649 | 17,718 |
| Statutory reserve | 7,924 | 7,598 | 6,962 | – | – |
| Fair value reserve | 122 | 65 | (50) | – | – |
| Foreign currency translation reserve | (119,532) | (110,971) | (96,812) | – | – |
| Revenue reserve | 1,162,353 | 1,152,582 | 1,253,862 | 951,068 | 982,215 |
| | 1,416,775 | 1,403,346 | 1,508,298 | 1,316,976 | 1,336,287 |
| Non-controlling interests | 97,594 | 96,846 | 105,839 | – | – |
| Total equity | 1,514,369 | 1,500,192 | 1,614,137 | 1,316,976 | 1,336,287 |
| Non-current assets | | | | | |
| Property, plant and equipment | 567,867 | 592,234 | 653,840 | 9,498 | 5,548 |
| Investment properties | 9,194 | 11,298 | 13,489 | 295,267 | 319,347 |
| Intangible assets | 185,043 | 192,877 | 212,966 | 10,853 | 12,107 |
| Investment in subsidiaries | – | – | – | 541,030 | 541,030 |
| Investment in associates | 473,171 | 369,643 | 351,099 | 264,131 | 270,819 |
| Investment in a joint venture | 21,546 | 20,508 | 17,221 | 12,014 | 12,014 |
| Long-term investments | 8,330 | 8,319 | 8,382 | 7,886 | 7,886 |
| Loan to subsidiaries | – | – | – | 262,965 | 148,910 |
| Deferred tax assets | 21,232 | 21,853 | 27,990 | – | – |
| Other non-current assets | 8,838 | 6,291 | 7,426 | – | – |
| | 1,295,221 | 1,223,023 | 1,292,413 | 1,403,644 | 1,317,661 |

Statements of Financial Position

as at 31 March 2014

| | Group | | | Company | |
|---|---------------------|-----------------------------------|----------------------------------|---------------------|---------------------|
| | 31.3.2014 \$'000 | 31.3.2013 \$'000 (Restated) | 1.4.2012 \$'000 (Restated) | 31.3.2014 \$'000 | 31.3.2013 \$'000 |
| Current assets | | | | | |
| Trade and other receivables | 287,483 | 300,725 | 293,733 | 55,419 | 51,240 |
| Prepayments | 13,807 | 14,237 | 14,362 | 2,670 | 2,415 |
| Amount due from associates | 3,552 | 6,965 | 7,773 | 3,552 | 6,965 |
| Inventories | 46,258 | 52,843 | 43,718 | 315 | 296 |
| Cash and short-term deposits | 340,809 | 405,535 | 471,643 | 188,194 | 290,554 |
| Assets of disposal groups classified as held for sale | 32,659 | – | – | 979 | – |
| | 724,568 | 780,305 | 831,229 | 251,129 | 351,470 |
| Current liabilities | | | | | |
| Bank overdraft - secured | 1,224 | 1,318 | 1,530 | – | – |
| Trade and other payables | 267,253 | 236,860 | 203,240 | 204,440 | 190,260 |
| Income tax payable | 42,402 | 50,453 | 42,422 | 9,497 | 8,854 |
| Term loans | 15,832 | 19,495 | 21,965 | – | – |
| Finance leases | 616 | 1,923 | 3,209 | – | – |
| Liabilities of disposal group classified as held for sale | 2,219 | – | – | – | – |
| | 329,546 | 310,049 | 272,366 | 213,937 | 199,114 |
| Net current assets | 395,022 | 470,256 | 558,863 | 37,192 | 152,356 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | 61,304 | 60,094 | 62,184 | 28,368 | 30,918 |
| Term loans | 96,417 | 105,734 | 126,099 | 95,492 | 102,812 |
| Finance leases | 172 | 3,040 | 5,216 | – | – |
| Defined benefit plan | 4,768 | 7,112 | 18,870 | – | – |
| Other long-term liabilities | 13,213 | 17,107 | 24,770 | – | – |
| | 175,874 | 193,087 | 237,139 | 123,860 | 133,730 |
| Net assets | 1,514,369 | 1,500,192 | 1,614,137 | 1,316,976 | 1,336,287 |

Restatement was due to the adoption of Revised FRS 19 Employee Benefits.

Statements of Changes in Equity

for the financial year ended 31 March 2014

Attributable to owners of the Company

| | Share Capital \$'000 | Treasury Shares \$'000 | Share-Based Compensation Reserve \$'000 | Statutory Reserve * \$'000 | Fair Value Reserve \$'000 | Foreign Currency Translation Reserve \$'000 | Revenue Reserve \$'000 | Total \$'000 | Non- controlling Interests \$'000 | Total Equity \$'000 |
|--|----------------------------|------------------------------|--|----------------------------------|---------------------------------|---|------------------------------|-----------------|--|---------------------------|
| GROUP | | | | | | | | | | |
| Balance at 1 April 2013 (As previously stated) | 338,423 | (2,069) | 17,718 | 7,598 | 65 | (110,971) | 1,150,689 | 1,401,453 | 95,224 | 1,496,677 |
| Effects of adopting Revised FRS 19 | – | – | – | – | – | – | 1,893 | 1,893 | 1,622 | 3,515 |
| Balance at 1 April 2013 (As restated) | 338,423 | (2,069) | 17,718 | 7,598 | 65 | (110,971) | 1,152,582 | 1,403,346 | 96,846 | 1,500,192 |
| Profit for the year | – | – | – | – | – | – | 180,387 | 180,387 | 1,668 | 182,055 |
| Other comprehensive income for the year | – | – | – | – | 57 | (8,561) | (135) | (8,639) | (6,046) | (14,685) |
| Total comprehensive income for the year | – | – | – | – | 57 | (8,561) | 180,252 | 171,748 | (4,378) | 167,370 |
| Contributions by and distributions to owners | | | | | | | | | | |
| Share-based payment | – | – | 4,254 | – | – | – | – | 4,254 | – | 4,254 |
| Share options exercised and lapsed | 28,239 | – | (5,404) | – | – | – | 390 | 23,225 | – | 23,225 |
| Purchase of treasury shares | – | (17,400) | – | – | – | – | – | (17,400) | – | (17,400) |
| Issuance of new shares pursuant to equity compensation plans | 1,285 | – | (1,285) | – | – | – | – | – | – | – |
| Treasury shares reissued pursuant to equity compensation plans | – | 3,781 | (1,634) | – | – | – | (2,147) | – | – | – |
| Dividends, net | – | – | – | – | – | – | (168,398) | (168,398) | – | (168,398) |
| Total contributions by and distributions to owners | 29,524 | (13,619) | (4,069) | – | – | – | (170,155) | (158,319) | – | (158,319) |
| Others | | | | | | | | | | |
| Capital contributions from non-controlling interests | – | – | – | – | – | – | – | – | 6,030 | 6,030 |
| Dividends paid to non-controlling interests | – | – | – | – | – | – | – | – | (904) | (904) |
| Transfer to statutory reserve | – | – | – | 326 | – | – | (326) | – | – | – |
| Balance at 31 March 2014 | 367,947 | (15,688) | 13,649 | 7,924 | 122 | (119,532) | 1,162,353 | 1,416,775 | 97,594 | 1,514,369 |

* Certain countries in which some of the 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.

Statements of Changes in Equity

for the financial year ended 31 March 2014

Attributable to owners of the Company

| | Share Capital \$'000 | Treasury Shares \$'000 | Share-Based Compensation Reserve \$'000 | Statutory Reserve * \$'000 | Fair Value Reserve \$'000 | Foreign Currency Translation Reserve \$'000 | Revenue Reserve \$'000 | Total \$'000 | Non-controlling Interests \$'000 | Total Equity \$'000 |
|--|-------------------------|---------------------------|--|-------------------------------|------------------------------|--|---------------------------|-----------------|-------------------------------------|------------------------|
| GROUP | | | | | | | | | | |
| Balance at 1 April 2012 (As previously stated) | 326,229 | (827) | 18,934 | 6,962 | (50) | (96,812) | 1,254,984 | 1,509,420 | 106,802 | 1,616,222 |
| Effects of adopting Revised FRS 19 | – | – | – | – | – | – | (1,122) | (1,122) | (963) | (2,085) |
| Balance at 1 April 2012 (As restated) | 326,229 | (827) | 18,934 | 6,962 | (50) | (96,812) | 1,253,862 | 1,508,298 | 105,839 | 1,614,137 |
| Profit for the year | – | – | – | – | – | – | 184,764 | 184,764 | 17 | 184,781 |
| Other comprehensive income for the year (Restated) | – | – | – | – | 119 | (14,159) | 3,015 | (11,025) | (9,010) | (20,035) |
| Total comprehensive income for the year | – | – | – | – | 119 | (14,159) | 187,779 | 173,739 | (8,993) | 164,746 |
| Contributions by and distributions to owners | | | | | | | | | | |
| Share-based payment | – | – | 2,613 | – | – | – | – | 2,613 | – | 2,613 |
| Share options exercised and lapsed | 12,194 | – | (2,454) | – | – | – | 431 | 10,171 | – | 10,171 |
| Purchase of treasury shares | – | (2,617) | – | – | – | – | – | (2,617) | – | (2,617) |
| Treasury shares reissued pursuant to equity compensation plans | – | 1,375 | (1,375) | – | – | – | – | – | – | – |
| Dividends, net | – | – | – | – | – | – | (288,646) | (288,646) | – | (288,646) |
| Total contributions by and distributions to owners | 12,194 | (1,242) | (1,216) | – | – | – | (288,215) | (278,479) | – | (278,479) |
| Others | | | | | | | | | | |
| Transfer to statutory reserve | – | – | – | 636 | – | – | (636) | – | – | – |
| Premium paid for acquisition of non-controlling interests | – | – | – | – | (4) | – | (208) | (212) | – | (212) |
| Balance at 31 March 2013 | 338,423 | (2,069) | 17,718 | 7,598 | 65 | (110,971) | 1,152,582 | 1,403,346 | 96,846 | 1,500,192 |

* Certain countries in which some of the 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.

Statements of Changes in Equity

for the financial year ended 31 March 2014

| | Share Capital \$'000 | Treasury Shares \$'000 | Share-Based Compensation Reserve \$'000 | Revenue Reserve \$'000 | Total Equity \$'000 |
|---|----------------------------|------------------------------|--|------------------------------|---------------------------|
| COMPANY | | | | | |
| Balance at 1 April 2013 | 338,423 | (2,069) | 17,718 | 982,215 | 1,336,287 |
| Profit for the year | – | – | – | 139,008 | 139,008 |
| Total comprehensive income for the year | – | – | – | 139,008 | 139,008 |
| Contributions by and distributions to owners | | | | | |
| Share-based payment | – | – | 4,254 | – | 4,254 |
| Share options exercised and lapsed | 28,239 | – | (5,404) | 390 | 23,225 |
| Purchase of treasury shares | – | (17,400) | – | – | (17,400) |
| Issuance of new shares pursuant to equity compensation plans | 1,285 | – | (1,285) | – | – |
| Treasury shares reissued pursuant to equity compensation plans | – | 3,781 | (1,634) | (2,147) | – |
| Dividends, net | – | – | – | (168,398) | (168,398) |
| Total contributions by and distributions to owners | 29,524 | (13,619) | (4,069) | (170,155) | (158,319) |
| Balance at 31 March 2014 | 367,947 | (15,688) | 13,649 | 951,068 | 1,316,976 |

| | Share Capital \$'000 | Treasury Shares \$'000 | Share-Based Compensation Reserve \$'000 | Revenue Reserve \$'000 | Total Equity \$'000 |
|---|----------------------------|------------------------------|--|------------------------------|---------------------------|
| COMPANY | | | | | |
| Balance at 1 April 2012 | 326,229 | (827) | 18,934 | 1,114,455 | 1,458,791 |
| Profit for the year | – | – | – | 155,975 | 155,975 |
| Total comprehensive income for the year | – | – | – | 155,975 | 155,975 |
| Contributions by and distributions to owners | | | | | |
| Share-based payment | – | – | 2,613 | – | 2,613 |
| Share options exercised and lapsed | 12,194 | – | (2,454) | 431 | 10,171 |
| Purchase of treasury shares | – | (2,617) | – | – | (2,617) |
| Treasury shares reissued pursuant to equity compensation plans | – | 1,375 | (1,375) | – | – |
| Dividends, net | – | – | – | (288,646) | (288,646) |
| Total contributions by and distributions to owners | 12,194 | (1,242) | (1,216) | (288,215) | (278,479) |
| Balance at 31 March 2013 | 338,423 | (2,069) | 17,718 | 982,215 | 1,336,287 |

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2014

| | 2013-14 \$'000 | 2012-13 \$'000 |
|---|-------------------|-------------------|
| Cash flows from operating activities | | |
| Profit before tax from continuing operations | 215,456 | 241,321 |
| Loss before tax from discontinued operations | – | (16,801) |
| Profit before tax, total | 215,456 | 224,520 |
| Adjustments for: | | |
| Interest and investment (income)/expense, net | (83) | 278 |
| Depreciation and amortisation charges | 77,216 | 92,924 |
| Unrealised foreign exchange gain | (100) | (25) |
| Loss on disposal of property, plant and equipment | 5 | 2,495 |
| Loss on disposal of a subsidiary | – | 366 |
| Share of results of associates/joint venture, net of tax | (47,197) | (52,704) |
| Share-based payment expense | 4,254 | 2,613 |
| Impairment of deferred consideration | – | 16,801 |
| Impairment of assets held for sale | 2,653 | – |
| Other non-cash items | 1,133 | 1,569 |
| Operating cash flows before working capital changes | 253,337 | 288,837 |
| Changes in working capital: | | |
| Decrease/(increase) in receivables | 8,499 | (22,997) |
| Decrease in prepayments | 430 | 125 |
| Decrease/(increase) in inventories | 5,730 | (9,695) |
| Increase in payables | 16,916 | 20,630 |
| Decrease in amount due from associates | 3,413 | 643 |
| Cash generated from operations | 288,325 | 277,543 |
| Interest paid to third parties | (2,915) | (2,328) |
| Income taxes paid | (38,493) | (29,268) |
| Net cash from operating activities | 246,917 | 245,947 |
| Cash flows from investing activities | | |
| Capital expenditure | (57,090) | (37,794) |
| Dividends from associates/joint venture | 27,164 | 24,561 |
| Dividends from long-term investment, gross | 634 | 1,245 |
| Proceeds from disposal of property, plant and equipment | 597 | 409 |
| Interest received from deposits | 1,124 | 441 |
| Acquisition of/investment in associates | (118,317) | (5,975) |
| Acquisition of shares in a subsidiary | – | (139) |
| Net proceeds from disposal of a subsidiary | – | 626 |
| Net cash used in investing activities | (145,888) | (16,626) |
| Cash flows from financing activities | | |
| Repayment of term loans | (6,737) | (3,217) |
| Repayment of finance leases and related charges | (1,570) | (2,759) |
| Drawdown of term loans | 3,101 | 651 |
| Proceeds from exercise of share options | 23,225 | 10,171 |
| Dividends paid | (168,398) | (288,646) |
| Purchase of treasury shares | (17,400) | (2,617) |
| Capital contributions from non-controlling interests | 6,030 | – |
| Dividends paid to non-controlling interests | (904) | – |
| Net cash used in financing activities | (162,653) | (286,417) |
| Net decrease in cash and cash equivalents | (61,624) | (57,096) |
| Effect of exchange rate changes | (3,008) | (8,800) |
| Cash and cash equivalents at beginning of financial year | 404,217 | 470,113 |
| Cash and cash equivalents at end of financial year | 339,585 | 404,217 |

1. GENERAL

SATS Ltd. (the “Company”) 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 the 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 consolidated financial statements for the financial year ended 31 March 2014 were authorised for issue in accordance with a resolution of the Directors on 21 May 2014.

2. DIVIDENDS PAID AND PROPOSED

| | GROUP AND COMPANY | |
|---|-------------------|-------------------|
| | 2013-14 \$'000 | 2012-13 \$'000 |
| Dividends paid: | | |
| Final dividend of 6 cents (2013: 6 cents) per ordinary share in respect of previous financial year | 67,333 | 66,601 |
| Special dividend of 4 cents (2013: 15 cents) per ordinary share in respect of previous financial year | 44,888 | 166,503 |
| Interim dividend of 5 cents (2013: 5 cents) per ordinary share in respect of current financial year | 56,177 | 55,542 |
| | 168,398 | 288,646 |

Proposed but not recognised as a liability as at 31 March 2014:

| | 2013-14 \$'000 |
|---|-------------------|
| Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting: | |
| Final dividend of 8 cents per ordinary share (one-tier tax exempt) | 89,515 |
| | 89,515 |

3. 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.

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

Sales and purchases of goods and services

| | GROUP | |
|-----------------------|-------------------|-------------------|
| | 2013-14 \$'000 | 2012-13 \$'000 |
| Services rendered by: | | |
| Related companies | 53,789 | 42,540 |
| | 53,789 | 42,540 |
| Sales to: | | |
| Related companies | 722,278 | 698,446 |
| Associates | 3,552 | 6,965 |
| | 725,830 | 705,411 |

3. RELATED PARTY TRANSACTIONS (cont'd)

Directors' and key executives' remuneration:

| | GROUP AND COMPANY | |
|-------------------------------------|-------------------|-------------------|
| | 2013-14 \$'000 | 2012-13 \$'000 |
| Directors | | |
| Directors' fees | 931 | 934 |
| Key executives | | |
| Salary, bonuses and other costs | 3,851 | 2,826 |
| CPF and other defined contributions | 52 | 59 |
| Share-based compensation expense | 1,283 | 521 |
| | 5,186 | 3,406 |

Share options granted to and exercised by key executives of the Company are as follows:

| Name of participant | Aggregate options granted since commencement of scheme to end of financial year | Aggregate options exercised since commencement of scheme to end of financial year | Aggregate options outstanding at end of financial year |
|--------------------------|---|---|--|
| Tan Chuan Lye | 624,500 | (431,500) | 193,000 |
| Yacoob Bin Ahmed Piperdi | 377,950 | (180,700) | 197,250 |

Shares awarded to key executives of the Company during the year and since the commencement of the Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") are as follows:

| Name of participant | Shares granted during financial year * | Aggregate shares granted since commencement of plan to end of financial year | Aggregate shares vested/adjusted since commencement of plan to end of financial year | Aggregate shares not released at end of financial year |
|--|--|--|--|--|
| Alexander Charles Hungate [#] | 207,236 | 207,236 | – | 207,236 |
| Yacoob Bin Ahmed Piperdi | 233,000 | 420,262 | (99,229) | 321,033 |
| Tan Chuan Lye | 487,000 | 871,087 | (159,863) | 711,224 |
| Wong Hong | 134,000 | 215,275 | (5,000) | 210,275 |
| Ferry Chung Qing An | 178,000 | 431,368 | (99,300) | 332,068 |

* Includes incremental RSP/PSP due to the declaration of a special dividend of \$0.04 per share on 26 July 2013.

[#] Alexander Charles Hungate was appointed as Executive Director on 16 July 2013 and as President and Chief Executive Officer on 1 January 2014.

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 2014 are as follows:

| Name of interested person | Aggregate value of all interested person transactions entered into during the financial year below (excluding transactions of value less than S\$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) \$'000 | Aggregate value of all interested person transactions entered into during the financial year below under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions of value less than S\$100,000) \$'000 |
|--|--|---|
| Transactions for the Sale of Goods and Services | | |
| Scoot Pte. Ltd. | – | 4,628 |
| SIA Engineering Company Limited | – | 8,734 |
| Singapore Airlines Cargo Pte Ltd | – | 0* |
| Singapore Airlines Limited | – | 11,758 |
| Tiger Airways Singapore Pte. Ltd. | – | 9,243 |
| Transactions for the Purchase of Goods and Services | | |
| Certis CISCO Consulting Services Pte. Ltd. | – | 322 |
| Mapletree Logistics Trust Management Ltd. | – | 661 |
| Singapore Technologies Kinetics Ltd | – | 405 |
| Singapore Telecommunications Limited | – | 332 |
| SMRT Automotive Services Pte. Ltd. | – | 180 |
| Total | – | 36,263 |

* An interested person transaction with a value of \$251,505 was entered into with Singapore Airlines Cargo Pte Ltd during second quarter FY2013-14 for the extension of office space lease for a period ended 31 March 2014. A decision was made to grant the said extension on a rent free basis for commercial reason.

n.b. An interested person transaction with a value of \$189,000 was entered into with Starhub Ltd. during second quarter FY2012-13 under shareholders' mandate.

Note:

All the transactions set out in the above table were based on records from the Group's Register of Interested Person Transactions for the financial period under review, and include transactions whose durations exceed the financial period under review and/or multiple transactions with the same interested person. The transactions were based on actual or estimated values of the transactions for the entire duration of the relevant transactions in the case of fixed term contracts or annual/periodic values of the transactions in the case of open-ended contracts, taking into account agreed rates.

All the above interested person transactions were done on normal commercial terms.

2. MATERIAL CONTRACTS

Except as disclosed above and in the financial statements for the financial year ended 31 March 2014, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its President and Chief Executive Officer, Directors or controlling shareholders, which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

3. APPOINTMENT OF AUDITORS

The Company confirms that it has complied with Rule 712 and Rule 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited in relation to its auditing firms.

Information on Shareholdings

as at 28 May 2014

| | | |
|---|---|--------------------|
| Number of Issued Shares | : | 1,124,056,275 |
| Number of Issued Shares (excluding Treasury Shares) | : | 1,119,566,374 |
| Class of Shares | : | Ordinary shares |
| Number / Percentage of Treasury Shares | : | 4,489,901 / 0.40%* |
| Voting Rights | : | 1 vote per share |

ANALYSIS OF SHAREHOLDINGS

| Range of shareholdings | No. of shareholders | % | No. of shares (excluding treasury shares) | %* |
|------------------------|---------------------|--------|--|--------|
| 1 – 999 | 6,928 | 19.53 | 3,872,817 | 0.35 |
| 1,000 – 10,000 | 25,075 | 70.69 | 73,807,949 | 6.59 |
| 10,001 – 1,000,000 | 3,445 | 9.71 | 113,588,889 | 10.14 |
| 1,000,001 and above | 24 | 0.07 | 928,296,719 | 82.92 |
| Total | 35,472 | 100.00 | 1,119,566,374 | 100.00 |

MAJOR SHAREHOLDERS

| No. | Name | No. of shares held | %* |
|-----|---|--------------------|-------|
| 1 | Venezio Investments Pte. Ltd. | 479,096,858 | 42.79 |
| 2 | DBS Nominees (Private) Limited | 116,813,191 | 10.43 |
| 3 | Citibank Nominees Singapore Pte Ltd | 111,221,250 | 9.93 |
| 4 | DBSN Services Pte. Ltd. | 61,493,054 | 5.49 |
| 5 | HSBC (Singapore) Nominees Pte Ltd | 44,672,572 | 3.99 |
| 6 | United Overseas Bank Nominees (Private) Limited | 40,241,081 | 3.59 |
| 7 | BNP Paribas Securities Services | 24,664,829 | 2.20 |
| 8 | Raffles Nominees (Pte.) Limited | 14,639,199 | 1.31 |
| 9 | Bank Of Singapore Nominees Pte. Ltd. | 4,182,024 | 0.37 |
| 10 | Leong Khuen Nyeon | 3,223,000 | 0.29 |
| 11 | CIMB Securities (Singapore) Pte. Ltd. | 3,187,601 | 0.29 |
| 12 | Wong Kong Choo | 3,051,000 | 0.27 |
| 13 | Morgan Stanley Asia (Singapore) | 2,904,128 | 0.26 |
| 14 | OCBC Nominees Singapore Private Limited | 2,800,649 | 0.25 |
| 15 | DB Nominees (Singapore) Pte Ltd | 2,744,094 | 0.25 |
| 16 | Heng Siew Eng | 2,445,000 | 0.22 |
| 17 | DBS Vickers Securities (Singapore) Pte Ltd | 2,087,699 | 0.19 |
| 18 | Yim Chee Chong | 1,582,000 | 0.14 |
| 19 | Sing Chung Hui @ Sing Chung Sui | 1,500,000 | 0.13 |
| 20 | BNP Paribas Nominees Singapore Pte Ltd | 1,237,899 | 0.11 |
| | | 923,733,128 | 82.50 |

* The shareholding percentage has been calculated based on the number of issued ordinary shares of the Company as at 28 May 2014, excluding any ordinary shares held in treasury as at that date.

SUBSTANTIAL SHAREHOLDERS

As at 28 May 2014, the substantial shareholders of the Company and their direct and deemed interests, as shown in the Company's Register of Substantial Shareholders, were as follows:

| Name of substantial shareholder | No. of shares in which the substantial shareholder has a direct interest (representing percentage* of total shareholding) | No. of shares in which the substantial shareholder has a deemed interest (representing percentage* of total shareholding) | Total no. of shares in which the substantial shareholder is interested (representing percentage* of total shareholding) |
|------------------------------------|---|---|---|
| Temasek Holdings (Private) Limited | – | 481,230,101** (approximately 42.98%*) | 481,230,101 (approximately 42.98%*) |
| Tembusu Capital Pte. Ltd. | – | 479,096,858** (approximately 42.79%*) | 479,096,858 (approximately 42.79%*) |
| Napier Investments Pte. Ltd. | – | 479,096,858** (approximately 42.79%*) | 479,096,858 (approximately 42.79%*) |
| Venezio Investments Pte. Ltd. | 479,096,858 (approximately 42.79%*) | – | 479,096,858 (approximately 42.79%*) |

* The shareholding percentage has been calculated based on the number of issued ordinary shares of the Company as at 28 May 2014, excluding any ordinary shares held in treasury as at that date.

** Derived mainly through the direct interest of Venezio Investments Pte. Ltd.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 28 May 2014, approximately 56.8% of the issued ordinary shares of the Company are held by the public (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company hence confirms that Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of SATS Ltd. (the “**Company**”) will be held at the Marina Mandarin Ballroom, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594, on Wednesday 23 July 2014 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and Audited Financial Statements for the financial year ended 31 March 2014 and the Auditor’s Report thereon.
2. To declare a final ordinary tax-exempt (one-tier) dividend of 8 cents per share for the financial year ended 31 March 2014.
3. To re-appoint Mr David Zalmon Baffsky as a Director of the Company pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), to hold such office from the date of this Annual General Meeting until the next Annual General Meeting.
4. To re-appoint Mr Nihal Vijaya Devadas Kaviratne CBE as a Director of the Company pursuant to Section 153(6) of the Companies Act, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting.
5. To re-elect Mr Leo Yip Seng Cheong, who will retire by rotation in accordance with Article 83 of the Company’s Articles of Association and who, being eligible, will offer himself for re-election as a Director of the Company.
6. To re-elect Mr Koh Poh Tiong, who will retire by rotation in accordance with Article 83 of the Company’s Articles of Association and who, being eligible, will offer himself for re-election as a Director of the Company.
7. To re-elect Ms Euleen Goh Yiu Kiang, who will retire in accordance with Article 90 of the Company’s Articles of Association and who, being eligible, will offer herself for re-election as a Director of the Company.
8. To re-elect Mr Yap Chee Meng, who will retire in accordance with Article 90 of the Company’s Articles of Association and who, being eligible, will offer himself for re-election as a Director of the Company.
9. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company to hold office until the next Annual General Meeting and to authorise the Directors to fix their remuneration.
10. To approve payment of Directors’ fees of up to S\$1,300,000 for the financial year ending 31 March 2015 (2014: up to S\$1,300,000).

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

11. That authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 percent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5 percent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (aa) new shares arising from the conversion or exercise of any convertible securities or employee share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (bb) any subsequent bonus issue, consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

12. That:

- (a) (i) pursuant to rule 14.1 of the rules of the SATS Performance Share Plan (“**Performance Share Plan**”), the extension of the duration of the Performance Share Plan for a period of 10 years from 19 July 2015 to 18 July 2025 (both dates inclusive) be and is hereby approved; and
- (ii) pursuant to rule 14.1 of the rules of the SATS Restricted Share Plan (“**Restricted Share Plan**”), the extension of the duration of the Restricted Share Plan for a period of 10 years from 19 July 2015 to 18 July 2025 (both dates inclusive) be and is hereby approved; and
- (b) the Directors be and are hereby authorised to:
 - (i) grant awards in accordance with the provisions of the Performance Share Plan and/or the Restricted Share Plan; and
 - (ii) allot and issue from time to time such number of ordinary shares in the capital of the Company (“**Shares**”) as may be required to be issued pursuant to the exercise of options under the SATS Employee Share Option Plan (“**Share Option Plan**”) and/or such number of fully paid Shares as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan and/or the Restricted Share Plan (the Share Option Plan, the Performance Share Plan and the Restricted Share Plan, together the “**Share Plans**”),

Notice of Annual General Meeting

provided that:

- (aa) the aggregate number of new Shares to be allotted and issued pursuant to the Share Plans shall not exceed 15 percent of the total number of issued Shares (excluding treasury shares) from time to time; and
- (bb) the aggregate number of Shares under awards to be granted pursuant to the Performance Share Plan and or the Restricted Share Plan during the period commencing from the date of this Annual General Meeting of the Company and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1 percent of the total number of issued Shares (excluding treasury shares) from time to time.

13. That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Letter to Shareholders dated 25 June 2014 (the "**Letter to Shareholders**") with any party who is of the class of interested persons described in the Appendix to the Letter to Shareholders, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the "**IPT Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

14. That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the SGX-ST; and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“**Maximum Limit**” means that number of issued Shares representing 2 percent of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed, in the case of both a market purchase of a Share and an off-market purchase of a Share, 105 percent of the Average Closing Price of the Shares;

where:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five-day period; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out herein) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

15. To transact any other business which may arise and can be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Prema d/o K Subramaniam
Company Secretary

Dated this 25th day of June 2014
Singapore

Notice of Annual General Meeting

EXPLANATORY NOTES

1. (a) In relation to Ordinary Resolution No. 3, Mr David Zalmon Baffsky will be retiring from office at the Annual General Meeting pursuant to Section 153 of the Companies Act, and will be standing for re-appointment at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Baffsky. Mr Baffsky will, upon re-appointment, continue to serve as the Chairman of the Nominating Committee and a member of the Remuneration and Human Resource Committee. Mr Baffsky is considered to be an independent Director.
 - (b) In relation to Ordinary Resolution No. 4, Mr Nihal Vijaya Devadas Kaviratne CBE has attained the age of 70 years in March 2014 and his office as a Director of the Company will be vacated at the forthcoming Annual General Meeting pursuant to Section 153(2) of the Companies Act. Mr Kaviratne will be standing for re-appointment at the Annual General Meeting pursuant to Section 153(6) of the Companies Act. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Kaviratne. Mr Kaviratne will, upon re-appointment, continue to serve as a member of the Audit Committee and Board Risk and Safety Committee. Mr Kaviratne is considered to be an independent Director.
 - (c) In relation to Ordinary Resolution No. 5, Mr Leo Yip Seng Cheong will be retiring from office at the Annual General Meeting pursuant to Article 83 of the Company’s Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Yip. Mr Yip is a member of the Nominating Committee and Remuneration and Human Resource Committee. Mr Yip is considered to be an independent Director.
 - (d) In relation to Ordinary Resolution No. 6, Mr Koh Poh Tiong will be retiring from office at the Annual General Meeting pursuant to Article 83 of the Company’s Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Koh. Mr Koh is a member of the Audit Committee and the Remuneration and Human Resource Committee. Mr Koh is considered to be an independent Director.
 - (e) In relation to Ordinary Resolution No. 7, Ms Euleen Goh Yiu Kiang will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Company’s Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Ms Goh. Ms Goh is the Chairman of the Audit Committee and a member of the Board Executive Committee. Ms Goh is considered to be an independent Director.
 - (f) In relation to Ordinary Resolution No. 8, Mr Yap Chee Meng will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Company’s Articles of Association, and will be standing for re-election at the Annual General Meeting. Please refer to the sections on “Board of Directors” and “Corporate Governance” in the SATS Annual Report for FY2013-14 for more information relating to Mr Yap. Mr Yap is the Chairman of the Board Risk and Safety Committee. Mr Yap is considered to be an independent Director.
 - (g) Mr David Heng Chen Seng and Mr Keith Tay Ah Kee have elected to retire from office at the 41st Annual General Meeting.
2. Ordinary Resolution No. 10 is to approve the payment of an aggregate sum of up to S\$1,300,000 as Directors’ remuneration for the Directors of the Company for the current financial year (“**FY2014-15**”). If approved, the proposal will facilitate the payment of Directors’ remuneration during the financial year in which such fees are incurred. The amount of Directors’ remuneration has been computed on the basis of the anticipated number of Board and Board Committee meetings for FY2014-15, assuming attendance in person by all the Directors at such meetings, at the scale of fees set out in the section on “Corporate Governance” in the SATS Annual Report for FY2013-14, and also caters for additional fees (if any) which may be payable due to additional Board or Board Committee members being appointed in the course of FY2014-15. If, for unforeseen reasons, payments are required to be made to the Directors in excess of the amount proposed, the Company will revert to shareholders for approval at the subsequent Annual General Meeting before any such payments are made.

3. Ordinary Resolution No. 11, if passed, will empower Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, from the date of this Annual General Meeting until the date of the next Annual General Meeting. The number of shares which the Directors may issue under this Ordinary Resolution will not exceed 50 percent of the issued shares (excluding treasury shares) in the capital of the Company with a sub-limit of 5 percent for issues other than on a *pro rata* basis. The 5 percent sub-limit for non-*pro rata* issues is lower than the 20 percent sub-limit allowed under the Listing Manual of the SGX-ST and the Articles of Association of the Company. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible instruments or share options or vesting of share awards which are outstanding at the time this Ordinary Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.
4. Ordinary Resolution No. 12 is to:
 - (a) approve an extension of the duration of each of the Performance Share Plan and the Restricted Share Plan for a further period of 10 years from 19 July 2015 to 18 July 2025 (both dates inclusive); and
 - (b) empower the Directors to grant awards pursuant to the Performance Share Plan and/or Restricted Share Plan and to allot and issue Shares pursuant to the Share Option Plan, Performance Share Plan and Restricted Share Plan, provided that:
 - (i) the aggregate number of new Shares which may be issued under the Share Option Plan, Performance Share Plan and Restricted Share Plan is limited to 15 percent of the total number of issued Shares (excluding treasury shares) from time to time; and
 - (ii) the aggregate number of Shares under awards which may be granted pursuant to the Performance Share Plan and/or the Restricted Share Plan from this Annual General Meeting to the next Annual General Meeting shall not exceed 1 percent of the total number of issued Shares (excluding treasury shares) from time to time.

The Share Option Plan was adopted by the Company in February 2000 and the last grant of options thereunder was made on 1 July 2008. The Performance Share Plan and Restricted Share Plan were adopted at an Extraordinary General Meeting of the Company held on 19 July 2005 for an initial duration of up to a maximum period of 10 years from the date of adoption. The Performance Share Plan and Restricted Share Plan are accordingly due to expire on 18 July 2015. Under the rules of the Performance Share Plan and Restricted Share Plan, each of the Performance Share Plan and Restricted Share Plan may continue beyond 18 July 2015 with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may be required. Please refer to the Letter to Shareholders for more details.

5. Ordinary Resolution No. 13 is to renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as the term is used in Chapter 9 of the Listing Manual) or any of them, to enter into certain interested person transactions with certain classes of interested persons as described in the Letter to Shareholders. The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company. Please refer to the Letter to Shareholders for more details.
6. Ordinary Resolution No. 14 is to renew the mandate to allow the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use its internal sources of funds, external borrowings, or a combination of internal resources and external borrowings to finance the purchases or acquisitions of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired, the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing issued Shares as at 28 May 2014 (the "**Latest Practicable Date**"), the purchase by the Company of 2 percent of its issued Shares (excluding Shares which are held as treasury Shares) will result in the purchase or acquisition of a maximum number of 22,391,327 Shares.

Notice of Annual General Meeting

In the case of both market purchases and off-market purchases by the Company and assuming that the Company purchases or acquires the maximum number of 22,391,327 Shares at the maximum price of S\$3.28 for one Share (being the price equivalent to 5 percent above the average closing prices of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of 22,391,327 Shares is approximately S\$73,443,552.56.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2014, based on certain assumptions, are set out in paragraph 4.7 of the Letter to Shareholders.

Please refer to the Letter to Shareholders for more details.

NOTES

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902, not less than 48 hours before the time appointed for the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders of the proposed final dividend being obtained at the 41st Annual General Meeting of the Company to be held on 23 July 2014, the Transfer Books and Register of Members of the Company will be closed on 4 August 2014 for the preparation of dividend warrants.

Duly completed and stamped transfers together with all relevant documents of or evidencing title received by the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, up to 5.00 p.m. on 1 August 2014 will be registered to determine shareholders' entitlements to the proposed final dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 1 August 2014 will be entitled to the proposed final dividend.

The proposed final dividend, if approved by shareholders, will be paid on 13 August 2014.

Proxy Form

SATS LTD.

(Incorporated in the Republic of Singapore)
Company Registration No.: 197201770G

IMPORTANT

CPF Investors

- For investors who have used their CPF monies to buy the Company's shares, this Report is forwarded to them at the request of their CPF approved nominees and is sent solely FOR THEIR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF investors who wish to attend the Annual General Meeting as observers have to submit their request through their CPF Approved Nominees so that their CPF Approved Nominee may register, within the specified timeframe, with the Company's Share Registrar. [CPF Approved Nominee: Please refer to Note No. 8 on the reverse side of this form on the required details].
- CPF investors who wish to vote must submit their voting instructions to their CPF Approved Nominees to enable them to vote on their behalf.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 25th June 2014.

*I/We _____ (NRIC/Passport No. _____) of _____ (Address)

being a *member/members of SATS Ltd. (the "Company") hereby appoint

| Name | Address | NRIC/ Passport No. | No. of Shares Represented | Proportion of Shareholdings (%) |
|------|---------|-----------------------|------------------------------|------------------------------------|
| | | | | |

and/or (delete as appropriate)

| Name | Address | NRIC/ Passport No. | No. of Shares Represented | Proportion of Shareholdings (%) |
|------|---------|-----------------------|------------------------------|------------------------------------|
| | | | | |

or failing *him/her, the Chairman of the Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to attend and to vote for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM of the Company, to be held at the Marina Mandarin Ballroom, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on 23 July 2014 at 11.00 am and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the AGM shall be *my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf and, if necessary, to demand a poll, at the AGM and at any adjournment thereof.

| No. | Resolutions | **For | **Against |
|--------------------------|---|-------|-----------|
| ORDINARY BUSINESS | | | |
| 1 | Adoption of the Directors' Report, Audited Financial Statements and the Auditors' Report | | |
| 2 | Declaration of a final dividend | | |
| 3 | Re-appointment of Mr David Zalmon Baffsky as Director | | |
| 4 | Re-appointment of Mr Nihal Vijaya Devadas Kaviratne CBE as Director | | |
| 5 | Re-election of Mr Leo Yip Seng Cheong as Director | | |
| 6 | Re-election of Mr Koh Poh Tiong as Director | | |
| 7 | Re-election of Ms Euleen Goh Yiu Kiang as Director | | |
| 8 | Re-election of Mr Yap Chee Meng as Director | | |
| 9 | Re-appointment and remuneration of Auditors | | |
| 10 | Approval of Directors' fees for the financial year ending 31 March 2015 | | |
| SPECIAL BUSINESS | | | |
| 11 | To grant authority to the Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore | | |
| 12 | To approve the proposed extension of the SATS Performance Share Plan and the SATS Restricted Share Plan and to grant authority to the Directors to grant awards and issue shares in accordance with the provisions of the SATS Performance Share Plan and SATS Restricted Share Plan, and to allot and issue shares pursuant to the SATS Employee Share Option Plan | | |
| 13 | To approve the proposed renewal of the Mandate for Interested Person Transactions | | |
| 14 | To approve the proposed renewal of Share Purchase Mandate | | |
| 15 | Any other business | | |

* Delete accordingly

** Indicate your vote "For" or "Against" with a (✓) within the box provided.

Dated this _____ day of _____ 2014.

Signature(s) of Member(s) or Common Seal

Important: Please read notes on the reverse side

| Total Number of Shares Held |
|-----------------------------|
| |

Notes:

1. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member appoints two proxies, he must specify the proportion of his shareholding to be represented by each proxy, failing which the appointments will be deemed to have been made in the alternative.
3. The instrument appointing a proxy or representative must be signed by the appointor or his duly authorised attorney or if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
4. A corporation which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote on its behalf.
5. The instrument appointing a proxy or proxies (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be deposited at the office of the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 at least 48 hours before the time appointed for the AGM.
6. A member should insert the total number of Shares held. If the member has Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members, he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register as well as Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.
7. The Company shall be entitled to reject this instrument of proxy if it is incomplete, or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose Shares are entered in the Depository Register, the Company shall be entitled to reject this instrument of proxy which has been lodged if such member is not shown to have Shares entered against his name in the Depository Register at least 48 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
8. CPF Approved Nominees acting on the request of the CPF investors who wish to attend the AGM as observers are requested to submit in writing, a list with details of the CPF investors' names, NRIC/Passport numbers, addresses and number of Shares held. The list, signed by an authorised signatory of the CPF Approved Nominee, should reach the Company's Share Registrar, M & C Services Private Limited, 112 Robinson Road #05-01, Singapore 068902 at least 48 hours before the time appointed for the AGM.

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Please affix
postage
stamp

**The Company Secretary
SATS Ltd.**

c/o M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

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Request Form

SATS LTD.

(Incorporated in the Republic of Singapore)
Company Registration No.: 197201770G

25 June 2014

Dear Shareholder,

This is a copy of the Summary Financial Report (“SFR”) of SATS Ltd. (“SATS”) for financial year 2013-14. The SFR contains a review of the SATS Group for the financial year ended 31 March 2014. It also contains a summary of the audited financial statements of SATS and the SATS Group for that financial year. We will continue to send you a copy of the SFR for subsequent financial years, for as long as you are a SATS shareholder, unless you indicate or had previously indicated otherwise.

The Directors’ Report and the full financial statements of SATS and the SATS Group for financial year 2013-14 are set out in a separate report called the Annual Report. This report is available to all registered SATS shareholders at no cost upon request.

If you wish to receive a copy of the Annual Report for financial year 2013-14 and for subsequent financial years for as long as you are a shareholder, please complete the request form below by ticking the appropriate box, and return it to us at the address specified overleaf, by no later than 2 July 2014. **If we do not receive your request form by such date, it will indicate that you do not wish to receive the Annual Report for financial year 2013-14 and for future financial years.**

Nonetheless, please note that you may change your request in respect of our SFR and Annual Report for future financial years. If you had previously indicated your preference to us in connection with your receipt of the SFR and/or Annual Report for this and future financial years, you may change your earlier request by ticking the appropriate box in the request form below and returning it to us at the address specified overleaf, by no later than 2 July 2014. If we do not receive your request form, we will take it that there have been no changes to your preference. Your latest request will supersede the earlier requests received by us.

Please note that you will also be able to access the Annual Report on the SATS website www.sats.com.sg from 9 July 2014.

Yours faithfully,
FOR SATS Ltd.

Prema d/o K Subramaniam
Company Secretary

TO: The Company Secretary
SATS Ltd.
c/o M & C Services Private Limited
112 Robinson Road #05-01, Singapore 068902

NB. Please tick only one box. Incomplete or incorrectly completed forms will not be processed.

- * Please send to me/us the Annual Report for financial year 2013-14 only.
- Please do not send to me/us the Summary Financial Report and Annual Report for as long as I am/we are shareholder(s) of SATS Ltd.
- Please send to me/us the Annual Report in addition to the Summary Financial Report for financial year 2013-14 and for as long as I am/we are shareholder(s) of SATS Ltd.

*** If you hold the shares under or through CPFIS, you can only select this first option.**

The shares are held by me/us under or through (*please tick*):

CDP Securities Account Number:

| | | | | | | | | | | | | | | | | | | | |
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| 1 | 6 | 8 | 1 | - | | | | | | | | | | | | | | | |
|---|---|---|---|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

CPF Investment Scheme (“CPFIS”) Account

Physical Scrips

Name(s) of Shareholder(s): _____

NRIC/Passport Number(s): _____

Address: _____

Signature(s): _____

Date: _____



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Postage will be paid by addressee. For posting in Singapore only

**BUSINESS REPLY SERVICE
PERMIT NO. 08403**



**The Company Secretary
SATS Ltd.**
c/o M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

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SATS LTD.

Company Registration No. 197201770G

20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659

General Line

T: (65) 6542 5555

Investor Relations

T: (65) 6541 8200

E: sats_ir@sats.com.sg

sats.com.sg