



SATS LTD.
Summary Report 2014-15

REPORT

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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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Power Up is a phrase that encapsulates the transformation of SATS. The transformation starts by Powering Up our heartware – every single one of us – with the Passion to Delight. When we Power Up, we bring energy to our work, a sense of urgency and creativity that has real impact on our customers and the business. Our collective energy drives the successful implementation of strategy to use our scale and connectivity to increase productivity and new revenues.

Five-Year Group Financial and Operational Summary

	FY2014-15	FY2013-14	FY2012-13	FY2011-12	FY2010-11
Income Statement (\$ million)					
Total revenue	1,753.2	1,786.7	1,819.0	1,871.6	1,729.1
Operating profit	178.0	171.0	192.3	165.7	184.5
Share of results of associates/joint venture, net of tax	48.1	47.2	52.7	41.2	46.9
Profit after tax	190.7	182.1	184.8	175.0	191.8
Profit attributable to owners of the Company	195.7	180.4	184.8	170.9	191.4
Statement of Financial Position (\$ million)					
Equity holders' funds	1,441.1	1,416.8	1,403.4	1,508.3	1,523.0
Non-controlling interests	76.5	97.6	96.8	105.8	100.1
Total Equity	1,517.6	1,514.4	1,500.2	1,614.1	1,623.1
Property, plant and equipment	551.7	567.9	592.2	653.9	741.9
Investment properties	7.0	9.2	11.3	13.5	16.2
Other non-current assets	668.3	718.1	619.5	625.0	872.4
Current assets	792.7	724.6	780.3	831.2	687.6
Total assets	2,019.7	2,019.8	2,003.3	2,123.6	2,318.1
Non-current liabilities	156.3	175.9	193.0	237.2	201.4
Current liabilities	345.8	329.5	310.1	272.3	493.6
Total liabilities	502.1	505.4	503.1	509.5	695.0
Net Assets	1,517.6	1,514.4	1,500.2	1,614.1	1,623.1
Financial Ratios					
Return on equity (%)	13.7	12.8	12.7	11.3	12.7
Return on total assets (%)	9.4	9.1	9.0	7.9	9.1
Net margin (%)	10.9	10.2	10.2	9.4	11.1
Debt-equity ratio (times)	0.07	0.08	0.09	0.10	0.12
Economic value added (EVA) (\$ million)	49.9	39.9	68.5	42.7	68.3
Productivity and Employee Data					
Value added (\$ million)	1,022.0	1,011.4	1,018.3	1,014.7	916.9
Value added per employee (\$)	71,704	69,222	70,732	69,475	69,200
Value added per \$ employment cost (times)	1.43	1.43	1.48	1.50	1.60
Revenue per employee (\$)	123,004	122,284	126,354	128,148	130,500
Staff costs per employee (\$)	50,134	48,254	47,705	46,305	43,212
Average number of employees	14,253*	14,611	14,396	14,605	13,250

* This is the number of full time equivalent employees, including participants in the flexible-hour work scheme that was introduced in FY2014-15.

	FY2014-15	FY2013-14	FY2012-13	FY2011-12	FY2010-11
Per Share Data					
Earnings after tax					
- Basic (cents)	17.5	16.1	16.6	15.4	17.4
- Diluted (cents)	17.4	16.0	16.5	15.4	17.3
Net assets value per share (cents)	130.4	126.6	126.0	136.0	137.5
Dividends					
Interim dividend per share (cents)	5.0	5.0	5.0	5.0	5.0
Final and special dividends per share (cents)	9.0	8.0	10.0	21.0	12.0
Dividend cover (times)	1.3	1.2	1.1	0.6	1.0
Dividend payout (%)	79.3	80.9	90.7	168.6	98.4
Cash Flows (\$ million)					
Cash flows from operations	272.8	288.3	277.5	210.7	250.2
Free cash flow	175.1	189.8	208.1	103.7	132.1
Capital expenditure	61.3	57.1	37.8	64.3	68.1
Operating Statistics					
Cargo/mail processed (million tonnes)	1.57	1.50	1.46	1.50	1.49
Passengers handled (million)	41.60	43.47	41.23	37.92	35.38
Gross meals produced (million)	26.44	26.11	28.26	26.50	25.06
Flights handled (thousand)	126.11	134.09	123.01	115.19	103.73

Notes:

- 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.
- Return on equity is profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds.
- Debt-equity ratio is gross debt divided by equity attributable to owners of the Company at 31 March.
- Basic earnings per share is computed by dividing profit attributable to owners of the Company by the weighted average number of fully paid shares in issue.
- Diluted earnings per share is computed by dividing 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.
- 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.
- Dividend cover is derived by dividing profit attributable to owners of the Company by total dividend (net of tax).
- Dividend payout ratio is derived by dividing total dividend (net of tax) by profit attributable to owners of the Company.
- Free cash flow comprises cash flows from operating activities less cash purchases of capital expenditure.
- Final dividend for FY2014-15 is subject to shareholders' approval at the forthcoming Annual General Meeting.
- Gross meals produced refer to airline meals catered at Singapore Changi Airport but exclude meals sold on board low-cost carriers.

Chairman's Statement

Dear Shareholders,

For the financial year in review, the external environment remained challenging, with an uncertain global economic outlook and airlines in the region facing overcapacity and margin pressure. Although oil prices and jet fuel costs declined, competitive pressures in regional aviation remained high.

In light of these factors, our revenue declined 1.9% year-on-year to \$1.75 billion in FY2014-15. However, our continued efforts to manage cost, improve productivity and invest in new technologies have yielded positive results. Our profit attributable to owners of the Company increased 8.5% to \$195.7 million and return on equity was 13.7%, up from 12.8% a year ago.

As at 31 March 2015, our total assets stood at \$2.02 billion while free cash flow generated during the year amounted to \$175.1 million. Our debt-to-equity ratio remained at a healthy 0.07 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 9 cents per share. Including the interim ordinary dividend of 5 cents per share paid on 12 December 2014, the total dividend of 14 cents per share translates to a dividend payout ratio of 79.3%. If approved at the forthcoming Annual General Meeting on 21 July, the proposed dividend will be paid on 12 August.

We have a strong pipeline of organic and inorganic growth opportunities across the

region to strengthen our position as Asia's leading food solutions and gateway services company. However, we will continue to be disciplined in our allocation of capital in order to earn the best returns on a risk-adjusted basis and strike a balance between investing for growth and rewarding our Shareholders through dividends. We will continue to invest in our state-of-the-art facilities, comprehensive suite of services and new technologies to transform our operations to be more productive and cost-efficient in the long run. We will also pursue opportunities in adjacent businesses and new customer segments.

In a move to grow scale and improve the operating leverage of our food business, we formed a 51:49 joint venture in Singapore with global food giant BRF in April this year. To be named SATS BRF Food, the joint venture will specialise in meat processing and the manufacturing of branded food products for distribution to retailers, restaurants, distributors, wholesalers and ship chandlers.

We are very positive about the attractive growth opportunities for this business. A key supplier of SATS, BRF is the world's sixth largest food company by market value and is responsible for 20% of the global poultry trade. Leveraging its capabilities in retail marketing and sales as well as our knowledge of local food distribution and state-of-the-art facilities, SATS BRF Food will focus on expanding supply of higher value, semi-processed meat, and branded food products for the Singapore market. It plans to enter other Southeast Asian markets eventually, catering to the growing middle classes in the region.

Return on Equity

13.7%

Earnings Per Share

17.5¢

We will continue to invest in our state-of-the-art facilities, comprehensive suite of services and new technologies to transform our operations to be more productive and cost-efficient in the long run. We will also pursue opportunities in adjacent businesses and new customer segments.



Edmund Cheng
Chairman

Chairman's Statement



CONNECTING WITH THE COMMUNITY

Our commitment to service goes beyond serving our customers to serving the community too. As a socially responsible organisation, we continue to expand our role in our communities where we live and work. Many of our staff are also active volunteers who participate in our group-wide programmes to reach out to the underprivileged.

For the year in review, the SATS Foundation – our main vehicle for community engagement – continued to support worthwhile causes such as the Assumption Pathway School and RSVP Singapore as part of its objective to create a long-term difference through enablement and empowerment. It also supported new beneficiary organisations including Bizlink Centre, a non-profit organisation that provides employment opportunities for people with disabilities.

At a grassroots level, the SATS Staff Association (SSA) maintained its unflagging efforts to rally our people in channelling their skills, time, and donations towards those in need. Over the last 12 months, the SSA spearheaded nearly 30 different projects, including the SATS-Elderly Sector Network Carnival. Held in October, this event saw our staff hosting some 350 elderly from 20 homes for the aged for a day of fun and games.

OUR VISION

Looking ahead, we have a clear vision to be Asia's leading food solutions and gateway services provider. We want to be the first-choice provider by delighting customers with our innovation and passion. We will continue to drive greater scale advantages and connectivity across our network through our state-of-the-art facilities, comprehensive services and accelerated use of technology.

Management has shared this vision throughout the Group and it is evident that everyone at SATS is committed to achieving it.

OUTLOOK

In the near term, while reduced jet fuel prices will provide our customers some relief, the regional aviation landscape remains challenging. Growth at Changi Airport is expected to stay moderate.

Despite slowing economic growth and rising manpower costs, the structural growth prospects of Asia and the fundamentals of the Singapore air hub remain intact. Demand for efficient travel, quality food and e-commerce will continue to grow, driven by the region's rapid pace of urbanisation. We believe that SATS is well-positioned to capture these exciting

and attractive opportunities. We will continue the transformation of our operations to improve productivity and support our future growth.

ACKNOWLEDGEMENTS

I wish to thank my fellow Board members for their wise counsel and invaluable contributions throughout the year. There is no doubt that the collective work of the Board and management on governance and enterprise risk management will serve our Company and Shareholders well. A fitting tribute to their work – and supported in no small part by management and staff – is the bronze award SATS attained in the 'Best Managed Board' category of the Singapore Corporate Awards 2014.

I also wish to express my appreciation to Leo Yip who resigned from the Board on 1 March 2015. Leo served as an independent director for close to five years. He was a member of both the Nominating Committee, and the Remuneration and Human Resource Committee. On behalf of the Board, I thank him for his unstinting service and support.

At the same time, I would like to extend a warm welcome to Michael Kok who joined the Board on 6 March 2015. Michael's wealth of experience in the food industry will be invaluable in steering our growth strategy going forward.

My heartfelt thanks also go to our customers, partners, staff unions and you, our Shareholders, for your continued confidence and support.

Last but not least, I wish to record my deepest appreciation to all our employees. Their passion to innovate and dedication to their work have helped us achieve so much over the past year. They remain the key driving force of our Power Up transformation. I am confident that we can sustain the momentum and continue to create significant value for you, our Shareholders.

Edmund Cheng

Chairman

25 May 2015



PCEO's Statement

Dear Shareholders,

Despite the slowing demand in some of our key markets, we were able to improve our operating and net profits in FY2014-15 by 4.1% and 8.5% respectively, using our scale and new technologies to reduce costs and improve productivity.

Overall expenditure fell 2.5% for the year as we gained benefits from the combined scale of our aviation and non-aviation catering businesses through Group-wide, strategic purchasing arrangements with key suppliers and integrated supply chain improvements.

Falling oil prices in the second half of the year along with initiatives to reduce our carbon footprint also lowered our energy costs, contributing to a reduction in other costs of 8.8%.

In addition, we found sustainable ways of improving productivity by investing in new technologies and in our people to ensure that every one of our colleagues has opportunities to improve their skills and capabilities. We handled volumes similar to the prior year with 500 fewer people; so that despite the sharp increase in labour costs across Asia, we were able to limit growth in staff expenses to 1.5%.

Our progress has also been recognised by the Civil Aviation Authority of Singapore (CAAS) which awarded SATS three out of 16 awards in its Process Innovation Challenge 2 showcase of productivity best practices. These awards were for raising productivity in our airline meal tray assembly through process redesign; reducing man-hours involved in sorting and transferring airlines' cargo pallets between airfreight terminals; and achieving significant reduction in man-hours in the breaking down of inbound cargo pallets and containers.

Further innovations have made aviation catering more productive. For instance, the use of autonomous guided vehicles in our kitchens has eliminated the multiple trips that our meal tray assembly staff need to make between the assembly line and the chiller to replenish food items.

In December last year, we added a flexible assembly line into our inflight catering operations. Where airline meal trays used to be assembled and inspected manually in lines of five to six staff each, the new automated line requires only two to three staff to control the operations. We have also introduced an automated cutlery system using ultrasonic technology to improve cutlery washing while deploying machines to do the tasks of cutlery sorting and packing.

In other cases, we have been the catalyst for technology adoption across the industry. In April 2015, we launched e-Acceptance, a significantly more efficient system for processing export clearances for airfreight. By partnering the Singapore Aircargo Agents Association and CAAS to implement this first-in-Singapore initiative, we can expect to boost productivity by around 30% and reduce the industry's carbon footprint by saving 600,000 sheets of paper annually.

We are working ever closer with our network of JVs and associates across Asia to improve productivity and also to create valuable connectivity for our customers. They contributed \$48.1 million or 25% of our net profit and are critical to our growth strategy. The investment that we made in PT Cardig Aero Services in Indonesia in February 2014 performed according to plan, with excellent collaboration creating value for both companies.

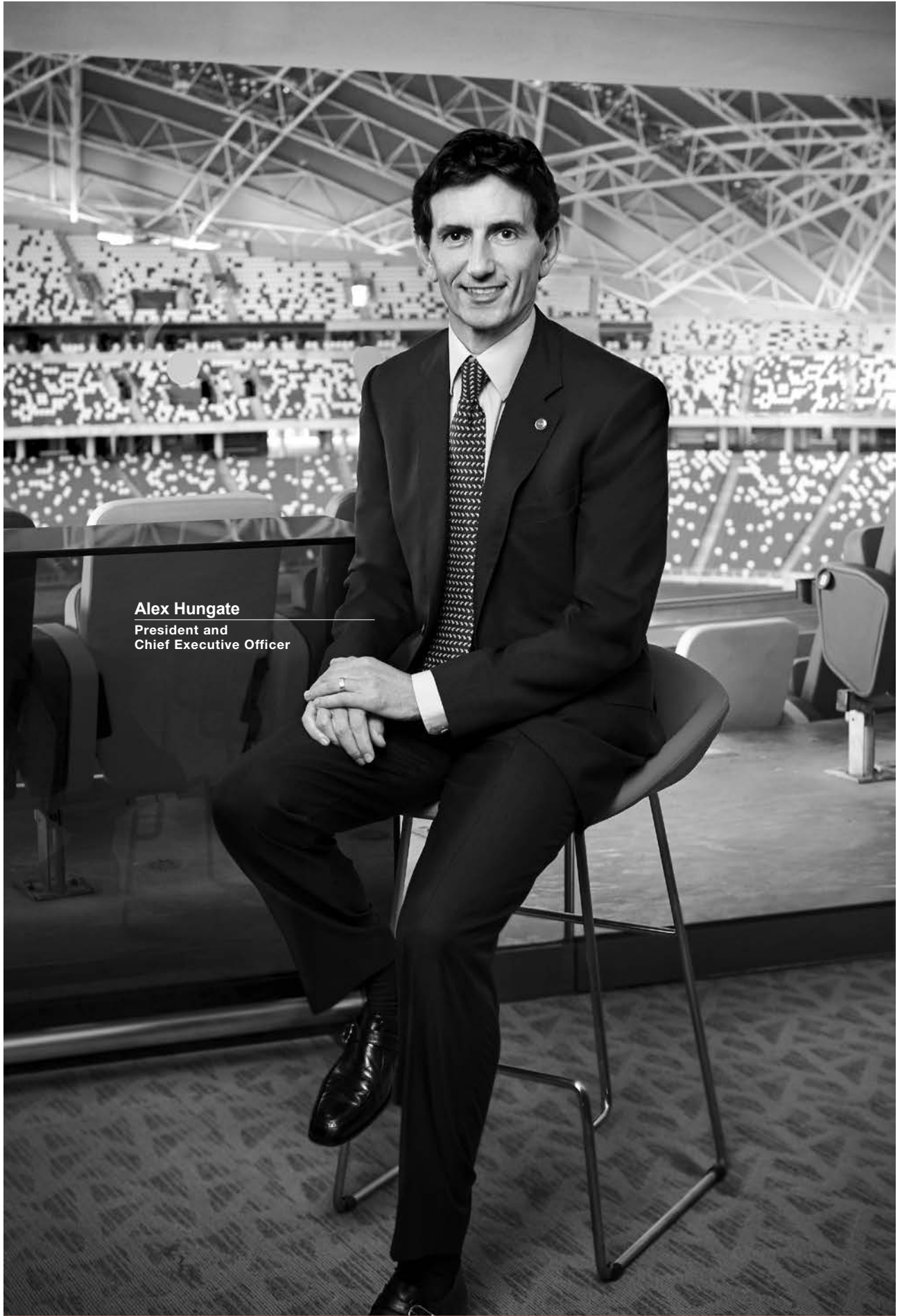
Net
Profit

\$195.7M

Free Cash
Flow

\$175.1M

Despite the slowing demand in some of our key markets, we were able to improve our operating and net profits in FY2014-15 by 4.1% and 8.5% respectively, using our scale and new technologies to reduce costs and improve productivity.



Alex Hungate
President and
Chief Executive Officer

PCEO's Statement

TARGETING NEW GROWTH

Our consolidated revenue declined by 1.9%, with 4.7% lower food revenue offset by 2.8% higher gateway revenue. This reduction was due mainly to lower spending by some customers in Japan and Singapore.

While we expect the underlying volumes in both markets to improve over time, we took action to grow non-aviation revenues by using our scale. By targeting new accounts in the catchment area of our large-scale inflight kitchens in Singapore, China, Japan, India and the Philippines, we have created a more diversified revenue stream and improved our scale and cost advantage further.

However, overcapacity at Narita airport and the translation impact of a weaker Japanese Yen continued to affect TFK's performance. Therefore in March this year, we took measures to restructure our cost base with a voluntary severance programme which has left us with a leaner cost structure.

Our cargo volumes hit a new record high of 1.6 million tonnes in FY2014-15. Investments in new high quality services which build valuable linkages for our cargo customers across the region have helped us win market share. In addition, demand for pharmaceutical and other perishables handling has been consistently strong and we expect it to continue to grow.

Last November, our perishables handling centre SATS Coolport was recognised by the International Air Transport Association (IATA) as the world's first Centre of Excellence for Independent Validators in pharmaceutical handling. This certification allows our people to provide consultancy and training to other industry stakeholders in the rigorous requirements of pharmaceutical handling.

Recently in April, we launched the SATS Coolport Academy, an independent training institute offering IATA-certified and other related courses across the region. In conjunction with the launch, IATA appointed the Academy as its first Regional Training Partner in Asia Pacific for pharmaceutical handling.

During the year, we made good progress in upgrading our unique cold-chain network across Asia as our cargo associates in Hong Kong and Indonesia and our joint venture in India were successful in attaining certifications in Good Distribution Practice. Construction of AISATS Coolport, Bengaluru's first dedicated perishables handling facility at Kempegowda International Airport, is now underway. Our goal is to eventually certify our entire network so that we can offer our customers uniformly high service standards across an unbroken cold-chain.

In line with this objective, we concluded a Memorandum of Understanding (MOU) in January this year with our customer Swiss WorldCargo and its partner ground handling company Cargologic.



The aim of this MOU is to enhance all parties' cargo handling services and establish the basis for future collaborations in areas such as e-initiatives, temperature-controlled transport management and specialised handling solutions. Leveraging Cargologic's and SATS' networks across Europe and Asia respectively, the alliance will help to promote end-to-end carriage of premium, care-intensive cargo on Swiss WorldCargo's flights.

The number of ships calling at the Marina Bay Cruise Centre, one of our newer businesses, fell slightly year-on-year, as did the number of passengers passing through the cruise terminal. However, with Royal Caribbean International launching its year-round sailings from Singapore for the first time this year and 20 cruise ships home-porting or turning around at the terminal, both metrics are expected to improve this year.

The opening of the Singapore Sports Hub last June marked our entry into sports catering, adding scale to our overall institutional catering business. We have catered to more than 80 world-class events, including the World Club 10s Rugby and the Women's Tennis Association Finals, held at the venue over the last year. This financial year will see us catering to similar prestigious events such as the Barclays Asia Trophy at the Sports Hub as well as catering to the north cluster at the 28th SEA Games.

POWER UP

Our team of passionate and dedicated employees is our main source of ideas for driving productivity, growth and innovation. Our FY2014-15 results are a testament to their commitment and ingenuity. As our transformation progresses, they are involved in every project right from idea generation, through planning to implementation. With each project, we communicate the rationale for change and continually seek their feedback. There is great energy and commitment amongst them to serve our customers – what we call our 'Passion to Delight'.



Our commitment to service is fundamental to the 'Passion to Delight' that we all share. An outstanding example of this was how our institutional catering team worked selflessly around the clock to deliver 60,000 meals and 450,000 bottles of water to multiple locations during the week of mourning on the passing of Singapore's founding Prime Minister Mr Lee Kuan Yew.

As we Power Up, we also generate more ideas. For example, we filed our first patent for a tow hitch sensor which enhances safety and improves our operating efficiency. This kind of innovation is the key to our long-term productivity and competitiveness.

The productivity improvements and cost savings during the past year are the first evidence that the transformation of SATS is underway. Our people across the Company are committed to making further progress. Ahead, there are many opportunities to grow our businesses in order to capitalise on urbanisation across Asia. We are ready to pursue the best of these opportunities with energy and passion.

Alex Hungate

President and Chief Executive Officer

25 May 2015

Financial Calendar



**Financial year ended
31 MARCH 2015**

2014

22 JUL Announcement of 1Q FY2014-15 results
Results conference call with live webcast

13 AUG Payment of final dividend

13 NOV Announcement of 2Q FY2014-15 results
Results conference call with live webcast

12 DEC Payment of interim dividend

2015

4 FEB Announcement of 3Q FY2014-15 results
Results conference call with live webcast

14 MAY Announcement of 4Q FY2014-15 results
Results briefing for analysts and media
with live webcast

23 JUN Despatch of Summary Report to shareholders

7 JUL Despatch of Annual Report to shareholders

21 JUL 42nd Annual General Meeting

29 JUL Book closure date

12 AUG Proposed payment of final dividend



**Financial year ending
31 MARCH 2016**

2015

23 JUL Proposed announcement of 1Q FY2015-16 results

4 NOV Proposed announcement of 2Q FY2015-16 results

2016

FEB Proposed announcement of 3Q FY2015-16 results

MAY Proposed announcement of 4Q FY2015-16 results

Corporate Information

as at 25 May 2015

BOARD OF DIRECTORS

Edmund Cheng Wai Wing
Chairman, Independent Non-Executive

Alexander Charles Hungate
President and Chief Executive Officer,
Executive Director

Independent Non-Executive

David Zalmon Baffsky
Euleen Goh Yiu Kiang
Nihal Vijaya Devadas Kaviratne CBE
Koh Poh Tiong
Michael Kok Pak Kuan
Yap Chee Meng

BOARD COMMITTEES

Audit Committee
Euleen Goh Yiu Kiang (Chairman)
Nihal Vijaya Devadas Kaviratne CBE
Koh Poh Tiong
Yap Chee Meng

Board Executive Committee
Edmund Cheng Wai Wing (Chairman)
Euleen Goh Yiu Kiang
Alexander Charles Hungate
Michael Kok Pak Kuan

Board Risk and Safety Committee
Yap Chee Meng (Chairman)
Nihal Vijaya Devadas Kaviratne CBE
Alexander Charles Hungate

Nominating Committee
David Zalmon Baffsky (Chairman)
Edmund Cheng Wai Wing
Euleen Goh Yiu Kiang

**Remuneration and
Human Resource Committee**
Edmund Cheng Wai Wing (Chairman)
David Zalmon Baffsky
Koh Poh Tiong

COMPANY SECRETARIES

Prema d/o K Subramaniam
Andrew Cheong Fook Onn
(until 1 June 2015)

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)

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
(until 31 July 2015)

Yacob 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
General Manager,
SATS BRF Food Pte. Ltd.
(from 1 June 2015)

SATS LTD.

(Company Registration No.: 197201770G)

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20 Airport Boulevard
SATS Inflight Catering Centre 1
Singapore 819659
T: (65) 6542 5555

Thomas Ching Chun Fong
Senior Vice President,
Institutional Catering
(from 1 June 2015)

Goh Siang Han
Senior Vice President,
Inflight Catering

Tony Goh Aik Kwang
Senior Vice President,
Sales and Marketing

Andrew Lim Cheng Yueh
Senior Vice President,
Greater China
(from 1 June 2015)

Denis Suresh Kumar Marie
Senior Vice President,
Apron Services and
Security Services

Nazri Bin Othman
Senior Vice President,
Passenger Services
(from 1 June 2015)

Prema d/o K Subramaniam
Senior Vice President,
Legal and Secretariat,
General Counsel and
Company Secretary

Tan Li Lian
Senior Vice President,
Human Capital

Pauline Tan Poh Lin
Senior Vice President,
Technology

Wong Chee Meng
Senior Vice President,
Cargo Services

Ronald Yeo Yoon Choo
Senior Vice President,
Planning and Support Services
(from 1 July 2015)

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 2015.

1. DIRECTORS

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

Edmund Cheng Wai Wing	Chairman
Alexander Charles Hungate	
David Zalmon Baffsky	
Euleen Goh Yiu Kiang	
Nihal Vijaya Devadas Kaviratne CBE	
Koh Poh Tiong	
Michael Kok Pak Kuan	(appointed on 6 March 2015)
Yap Chee Meng	

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				
Alexander Charles Hungate	–	203,700	–	–
Euleen Goh Yiu Kiang	2,774	2,774	–	–
Michael Kok Pak Kuan (appointed 6 March 2015)	30,000	30,000	–	–

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

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
Award under SATS Restricted Share Plan ("RSP")				
Alexander Charles Hungate ⁽¹⁾	207,236	264,536	–	–
Award under SATS Performance Share Plan ("PSP")				
Alexander Charles Hungate ⁽²⁾	–	380,000	–	–

⁽¹⁾ 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 of 207,236 under the SATS RSP for FY2013-14 on 16 July 2013 where the shares will vest over a two-year period with no performance condition. From the 264,536 as at financial year end, 161,000 will vest over a three-year period with performance conditions while the balance of 103,536 has no vesting condition.

⁽²⁾ He was granted a base award under the SATS PSP for FY2014-15 where the shares will vest over a three-year period with performance conditions.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2015.

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.

Directors' Report

5. SHARE-BASED PAYMENTS (cont'd)

(i) Employee Share Option Plan (cont'd)

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 11,697,085 unissued ordinary shares in the Company were outstanding:

Date of grant	Balance at 1.4.2014	Forfeited/ Lapsed	Exercised	Balance at 31.3.2015	Exercise price	Exercisable period
01.07.2004	919,550	(270,800)	(648,750)	–	\$1.79	01.07.2005 - 30.06.2014
01.07.2005	2,766,400	(85,600)	(961,800)	1,719,000	\$1.97	01.07.2006 - 30.06.2015
03.07.2006	2,039,035	(80,400)	(389,050)	1,569,585	\$1.80	03.07.2007 - 02.07.2016
02.07.2007	6,992,900	(281,000)	(486,300)	6,225,600	\$2.76	02.07.2009 - 01.07.2017
01.07.2008	2,646,600	(106,000)	(357,700)	2,182,900	\$1.92	01.07.2010 - 30.06.2018
	15,364,485	(823,800)	(2,843,600)	11,697,085		

(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. Both share plans which are due to expire on July 2015 were approved during the 41st AGM held on 23 July 2014 for further extension of 10 years to July 2025.

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.

5. SHARE-BASED PAYMENTS (cont'd)

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

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

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

Number of restricted shares					
Date of grant	Balance at 1.4.2014/ Date of grant	Vested	Forfeited	Adjustments #	Balance at 31.3.2015
02.08.2010	194,852	(194,852)	–	–	–
01.08.2011	98,366	(49,200)	–	–	49,166
03.08.2011	454,855	(232,800)	(17,811)	–	204,244
01.08.2012	649,053	(222,400)	(32,400)	–	394,253
11.10.2012	34,695	(11,600)	–	–	23,095
16.07.2013	207,236	(103,700)	–	–	103,536
15.11.2013	1,532,500	(523,800)	(76,200)	37,400	969,900
03.12.2013	161,000	(54,800)	–	3,300	109,500
06.08.2014	1,670,000	–	(44,000)	–	1,626,000
	5,002,557	(1,393,152)	(170,411)	40,700	3,479,694

Adjustment due to performance factor at the end of the performance period upon meeting the stated performance target.

PSP

Number of performance shares					
Date of grant	Balance at 1.4.2014/ Date of grant	Vested	Forfeited	Adjustments	Balance at 31.3.2015
03.08.2011	505,561	(435,300)	(70,261)	–	–
11.03.2013	683,587	–	(24,432)	–	659,155
15.11.2013	874,000	–	–	–	874,000
03.12.2013	326,000	–	–	–	326,000
20.10.2014	1,373,000	–	–	–	1,373,000
	3,762,148	(435,300)	(94,693)	–	3,232,155

Directors' Report

5. SHARE-BASED PAYMENTS (cont'd)

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

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 \$2.65 to \$2.89 (2014: \$2.94 to \$3.17) and the estimated weighted average fair values at the date of grant for each share granted during the year under the PSP are \$1.09 (2014: \$1.84 and \$1.86).

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 2015, were 3,479,694 (2014: 3,332,557) and 3,232,155 (2014: 2,389,148) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards could range from 1,853,694 to 3,804,894 (2014: 1,639,057 to 3,671,257) and zero to a maximum of 5,177,810 (2014: zero to maximum 4,178,296) 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.

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.

On behalf of the Board of Directors,

EDMUND CHENG WAI WING
Chairman

ALEXANDER CHARLES HUNGATE
Executive Director / President and Chief Executive Officer

Dated this 13 May 2015

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 2015, 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 2015 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 13 May 2015

Independent Auditor's Report

for the financial year ended 31 March 2015 to the members of SATS Ltd.

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 2015, 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 13 May 2015.

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 2015 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 2015 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 13 May 2015

Consolidated Income Statement

for the financial year ended 31 March 2015

	2014-15 \$'000	2013-14 \$'000
Revenue	1,753,182	1,786,688
Expenditure		
Staff costs	(800,589)	(788,457)
Cost of raw materials	(349,338)	(379,551)
Licence fees	(78,081)	(76,789)
Depreciation and amortisation charges	(68,231)	(77,216)
Company premise and utilities expenses	(124,983)	(124,921)
Other costs	(153,966)	(168,750)
	(1,575,188)	(1,615,684)
Operating profit	177,994	171,004
Interest on borrowings	(1,234)	(2,930)
Interest income	1,633	1,139
Dividends from long-term investment, gross	668	1,874
Loss on disposal of property, plant and equipment	(2,173)	(5)
Share of results of associates/joint venture, net of tax	48,086	47,197
Impairment of assets held for sale	(196)	(2,653)
Other non-operating expenses	–	(170)
Profit before tax	224,778	215,456
Income tax expense	(34,062)	(33,401)
Profit for the year	190,716	182,055
Profit attributable to:		
Owners of the Company	195,695	180,387
Non-controlling interests	(4,979)	1,668
	190,716	182,055
Earnings per share (cents)		
Basic	17.5	16.1
Diluted	17.4	16.0

Consolidated Statement of Comprehensive Income

for the financial year ended 31 March 2015

	2014-15 \$'000	2013-14 \$'000
Profit for the year	190,716	182,055
Other comprehensive income:		
<u>Items that will not be reclassified to profit or loss:</u>		
Actuarial gain on defined benefit plan	4,581	42
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Net fair value changes on available-for-sale assets	(14)	57
Foreign currency translation	4,232	(14,784)
Reclassification of foreign currency translation to profit or loss	185	–
	4,403	(14,727)
Other comprehensive income/(loss) for the year, net of tax	8,984	(14,685)
Total comprehensive income for the year	199,700	167,370
Total comprehensive income attributable to:		
Owners of the Company	208,233	171,748
Non-controlling interests	(8,533)	(4,378)
Total comprehensive income for the year	199,700	167,370

Statements of Financial Position

as at 31 March 2015

	Group		Company	
	31.3.2015 \$'000	31.3.2014 \$'000	31.3.2015 \$'000	31.3.2014 \$'000
Equity attributable to owners of the Company				
Share capital	367,947	367,947	367,947	367,947
Treasury shares	(56,377)	(15,688)	(56,377)	(15,688)
Share-based compensation reserve	14,277	13,649	14,277	13,649
Statutory reserve	7,800	7,924	–	–
Foreign currency translation reserve	(109,926)	(119,532)	–	–
Revenue reserve	1,217,980	1,164,500	1,061,313	953,215
Other reserves	(599)	(2,025)	(5,286)	(2,147)
	1,441,102	1,416,775	1,381,874	1,316,976
Non-controlling interests	76,443	97,594	–	–
Total equity	1,517,545	1,514,369	1,381,874	1,316,976
Non-current assets				
Property, plant and equipment	551,662	567,867	7,923	9,498
Investment properties	6,984	9,194	283,857	295,267
Intangible assets	165,527	185,043	7,608	10,853
Investment in subsidiaries	–	–	541,030	541,030
Investment in associates	437,910	473,171	264,131	264,131
Investment in a joint venture	26,868	21,546	12,014	12,014
Long-term investments	8,366	8,330	7,886	7,886
Loan to subsidiaries	–	–	234,240	262,965
Deferred tax assets	18,939	21,232	–	–
Defined benefit plan	1,949	–	–	–
Other non-current assets	8,745	8,838	–	–
	1,226,950	1,295,221	1,358,689	1,403,644

Statements of Financial Position

as at 31 March 2015

	Group		Company	
	31.3.2015 \$'000	31.3.2014 \$'000	31.3.2015 \$'000	31.3.2014 \$'000
Current assets				
Trade and other receivables	282,561	287,483	32,603	55,419
Prepayments	17,080	13,807	3,599	2,670
Amounts due from associates	2,232	3,552	2,232	3,552
Loan to subsidiaries	–	–	6,801	–
Inventories	18,672	46,258	229	315
Cash and short-term deposits	410,911	340,809	289,821	188,194
Assets of disposal groups classified as held for sale	61,243	32,659	–	979
	792,699	724,568	335,285	251,129
Current liabilities				
Bank overdraft - secured	–	1,224	–	–
Trade and other payables	287,279	267,253	185,443	204,440
Income tax payable	42,920	42,402	9,776	9,497
Term loans	15,389	15,832	–	–
Finance leases	176	616	–	–
Liabilities of disposal group classified as held for sale	–	2,219	–	–
	345,764	329,546	195,219	213,937
Net current assets	446,935	395,022	140,066	37,192
Non-current liabilities				
Deferred tax liabilities	58,864	61,304	27,653	28,368
Term loans	89,575	96,417	89,228	95,492
Finance leases	83	172	–	–
Defined benefit plan	–	4,768	–	–
Other long-term liabilities	7,818	13,213	–	–
	156,340	175,874	116,881	123,860
Net assets	1,517,545	1,514,369	1,381,874	1,316,976

Statements of Changes in Equity

for the financial year ended 31 March 2015

	Attributable to owners of the Company											
	Share Capital \$'000	Treasury Shares \$'000	Share-Based Compensation Reserve \$'000	Statutory Reserve* \$'000	Foreign Currency Translation Reserve \$'000	Revenue Reserve \$'000	Capital Reserve \$'000	Reissuance of Treasury Shares \$'000	Fair Value Reserve \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
Balance at 1 April 2014	367,947	(15,688)	13,649	7,924	(119,532)	1,164,500	–	(2,147)	122	1,416,775	97,594	1,514,369
Profit for the year	–	–	–	–	–	195,695	–	–	–	195,695	(4,979)	190,716
Other comprehensive income for the year	–	–	–	–	9,606	2,934	–	–	(2)	12,538	(3,554)	8,984
Total comprehensive income for the year	–	–	–	–	9,606	198,629	–	–	(2)	208,233	(8,533)	199,700
Contributions by and distributions to owners												
Share-based payment	–	–	6,343	–	–	–	–	–	–	6,343	–	6,343
Share options exercised and lapsed	–	–	(419)	–	–	419	–	5,786	–	5,786	–	5,786
Treasury shares reissued pursuant to equity compensation plans	–	14,221	(5,296)	–	–	–	–	(8,925)	–	–	–	–
Purchase of treasury shares	–	(54,910)	–	–	–	–	–	–	–	(54,910)	–	(54,910)
Dividends, net	–	–	–	–	–	(145,575)	–	–	–	(145,575)	–	(145,575)
Total contributions by and distributions to owners	–	(40,689)	628	–	–	(145,156)	–	(3,139)	–	(188,356)	–	(188,356)
Others												
Repurchase of shares by a subsidiary	–	–	–	–	–	–	4,567	–	–	4,567	(10,087)	(5,520)
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	(3,581)	(3,581)
Disposal of associates	–	–	–	(448)	–	331	–	–	–	(117)	–	(117)
Capital contributions from non-controlling interests	–	–	–	–	–	–	–	–	–	–	1,960	1,960
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(910)	(910)
Transfer to statutory reserve	–	–	–	324	–	(324)	–	–	–	–	–	–
Balance at 31 March 2015	367,947	(56,377)	14,277	7,800	(109,926)	1,217,980	4,567	(5,286)	120	1,441,102	76,443	1,517,545

* 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 2015

GROUP	Attributable to owners of the Company										
	Share Capital \$'000	Treasury Shares \$'000	Share-Based Compensation Reserve \$'000	Statutory Reserve * \$'000	Foreign Currency Translation Reserve \$'000	Revenue Reserve \$'000	Gain/(Loss) on Reissuance of Treasury Shares \$'000	Fair Value Reserve \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
Balance at 1 April 2013	338,423	(2,069)	17,718	7,598	(110,971)	1,152,582	–	65	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	–	–	–	–	(8,561)	(135)	–	57	(8,639)	(6,046)	(14,685)
Total comprehensive income for the year	–	–	–	–	(8,561)	180,252	–	57	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
Treasury shares reissued pursuant to equity compensation plans	–	3,781	(1,634)	–	–	–	(2,147)	–	–	–	–
Purchase of treasury shares	–	(17,400)	–	–	–	–	–	–	(17,400)	–	(17,400)
Issuance of new shares pursuant to equity compensation plans	1,285	–	(1,285)	–	–	–	–	–	–	–	–
Dividends, net	–	–	–	–	–	(168,398)	–	–	(168,398)	–	(168,398)
Total contributions by and distributions to owners	29,524	(13,619)	(4,069)	–	–	(168,008)	(2,147)	–	(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	(119,532)	1,164,500	(2,147)	122	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 2015

COMPANY	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Gain/(Loss) on Reissuance of Treasury Shares	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2014	367,947	(15,688)	13,649	953,215	(2,147)	1,316,976
Profit for the year	–	–	–	253,254	–	253,254
Total comprehensive income for the year	–	–	–	253,254	–	253,254
Contributions by and distributions to owners						
Share-based payment	–	–	6,343	–	–	6,343
Share options exercised and lapsed	–	–	(419)	419	5,786	5,786
Treasury shares reissued pursuant to equity compensation plans	–	14,221	(5,296)	–	(8,925)	–
Purchase of treasury shares	–	(54,910)	–	–	–	(54,910)
Dividends, net	–	–	–	(145,575)	–	(145,575)
Total contributions by and distributions to owners	–	(40,689)	628	(145,156)	(3,139)	(188,356)
Balance at 31 March 2015	367,947	(56,377)	14,277	1,061,313	(5,286)	1,381,874

COMPANY	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Gain/(Loss) on Reissuance of Treasury Shares	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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
Treasury shares reissued pursuant to equity compensation plans	–	3,781	(1,634)	–	(2,147)	–
Purchase of treasury shares	–	(17,400)	–	–	–	(17,400)
Issuance of new shares pursuant to equity compensation plans	1,285	–	(1,285)	–	–	–
Dividends, net	–	–	–	(168,398)	–	(168,398)
Total contributions by and distributions to owners	29,524	(13,619)	(4,069)	(168,008)	(2,147)	(158,319)
Balance at 31 March 2014	367,947	(15,688)	13,649	953,215	(2,147)	1,316,976

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2015

	2014-15 \$'000	2013-14 \$'000
Cash flows from operating activities		
Profit before tax	224,778	215,456
Adjustments for:		
Interest and investment income, net	(1,067)	(83)
Depreciation and amortisation charges	68,231	77,216
Unrealised foreign exchange gain	(2,354)	(100)
Loss on disposal of property, plant and equipment	2,173	5
Share of results of associates/joint venture, net of tax	(48,086)	(47,197)
Share-based payment expense	6,343	4,254
Impairment of assets held for sale	196	2,653
Other non-cash items	1,301	1,133
Operating cash flows before working capital changes	251,515	253,337
Changes in working capital:		
Decrease in receivables	4,256	8,499
(Increase)/decrease in prepayments	(3,665)	430
Decrease in inventories	3,120	5,730
Increase in payables	16,249	16,916
Decrease in amount due from associates	1,320	3,413
Cash generated from operations	272,795	288,325
Interest paid to third parties	(1,106)	(2,915)
Income taxes paid	(35,270)	(38,493)
Net cash from operating activities	236,419	246,917
Cash flows from investing activities		
Capital expenditure	(61,322)	(57,090)
Dividends from associates/joint venture	88,682	27,164
Dividends from long-term investment, gross	1,249	634
Proceeds from disposal of a subsidiary	2,700	–
Proceeds from disposal of interest in associates	24,653	–
Proceeds from disposal of property, plant and equipment	542	597
Interest received from deposits	1,633	1,124
Acquisition of an associate	–	(118,317)
Net cash from/(used in) investing activities	58,137	(145,888)
Cash flows from financing activities		
Repayment of term loans	(1,066)	(6,737)
Repayment of finance leases and related charges	(489)	(1,570)
Drawdown of term loans	1,145	3,101
Proceeds from exercise of share options	5,786	23,225
Dividends paid	(145,575)	(168,398)
Purchase of treasury shares	(54,910)	(17,400)
Repurchase of shares by a subsidiary	(5,520)	–
Capital contributions from non-controlling interests	1,960	6,030
Dividends paid to non-controlling interests	(910)	(904)
Net cash used in financing activities	(199,579)	(162,653)
Net increase/(decrease) in cash and cash equivalents	94,977	(61,624)
Effect of exchange rate changes	(4,848)	(3,008)
Cash and cash equivalents at beginning of financial year	339,585	404,217
Cash and cash equivalents at end of financial year	429,714	339,585

Notes to the Financial Statements

31 March 2015

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 2015 were authorised for issue in accordance with a resolution of the Directors on 13 May 2015.

2. DIVIDENDS PAID AND PROPOSED

	Group and Company	
	2014-15 \$'000	2013-14 \$'000
Dividends paid:		
Final dividend of 8 cents (2014: 6 cents) per ordinary share in respect of previous financial year	89,792	67,333
Special dividend of 0 cents (2014: 4 cents) per ordinary share in respect of previous financial year	–	44,888
Interim dividend of 5 cents (2014: 5 cents) per ordinary share in respect of current financial year	55,783	56,177
	145,575	168,398

Proposed but not recognised as a liability as at 31 March 2015:

	2014-15 \$'000
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:	
Final dividend of 9 cents per ordinary share (one-tier tax exempt)	99,465

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.

Notes to the Financial Statements

31 March 2015

3. RELATED PARTY TRANSACTIONS (cont'd)

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:

Sale and purchase of goods and services

	Group	
	2014-15 \$'000	2013-14 \$'000
Services rendered by:		
Related parties	46,028	53,789
Sales to:		
Related parties	764,985	722,278
Associates	2,232	3,552
	767,217	725,830

Directors' and key executives' remuneration

	Group	
	2014-15 \$'000	2013-14 \$'000
Directors		
Directors' fees		
- paid by the Company	867	931
- paid by subsidiaries of the Group	56	91
	923	1,022
Key executives		
Salary, bonuses and other costs	5,293	3,851
CPF and other defined contributions	63	52
Share-based compensation expense	2,101	1,283
	7,457	5,186

Share options granted to and exercised by key executives of the Group 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	(513,000)	111,500
Yacoob Bin Ahmed Piperdi	377,950	(377,950)	–

Shares awarded to key executives of the Group 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	541,000	748,236	(103,700)	644,536
Yacoob Bin Ahmed Piperdi	148,000	567,019	(162,193)	404,826
Tan Chuan Lye	148,000	1,012,992	(305,292)	707,700
Wong Hong	98,000	314,375	(27,500)	286,875
Ferry Chung Qing An	148,000	580,768	(177,400)	403,368
Cho Wee Peng	148,000	148,000	–	148,000

Shares grant is adjusted due to achievement of performance condition(s).

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 2015 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	–	26,605
Singapore Airlines Cargo Pte Ltd	–	540,000*
Singapore Airlines Limited	–	76,111**
SilkAir (Singapore) Private Limited	–	337,680
SIA Engineering Company Limited	–	378
Tiger Airways Singapore Pte Ltd	–	100,400
	–	1,081,174
Transactions for the Purchase of Goods and Services		
SingTel Mobile Singapore Pte Ltd	–	20,229
	–	20,229

* An interested person transaction with a value of \$2,040,000 was entered into with Singapore Airlines Cargo Pte Ltd for the extension of office space lease for a period of five years from 1 April 2014 to 31 March 2019. A decision was made to grant the said extension on a rent-free basis for commercial reason.

** An interested person transaction with a value of \$415,215 was entered into with Singapore Airlines Limited for the extension of office and storage space lease for a period of five years from 1 October 2014 to 30 September 2019. A decision was made to grant the said extension on a rent-free basis for commercial reason.

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 2015, 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 Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to its auditing firms.

Information on Shareholdings

as at 25 May 2015

Number of Issued Shares	:	1,124,056,275
Number of Issued Shares (excluding Treasury Shares)	:	1,104,633,026
Class of Shares	:	Ordinary shares
Number / Percentage of Treasury Shares	:	19,423,249 / 1.76%*
Voting Rights	:	1 vote per share

ANALYSIS OF SHAREHOLDINGS

Range of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares)	%
1 – 99	349	1.01	12,546	0.00
100 – 1,000	13,516	39.24	10,814,218	0.98
1,001 – 10,000	17,186	49.90	63,993,484	5.79
10,001 – 1,000,000	3,368	9.78	110,000,727	9.96
1,000,001 and above	25	0.07	919,812,051	83.27
Total	34,444	100.00	1,104,633,026	100.00

MAJOR SHAREHOLDERS

No.	Name	No. of shares held	%*
1	Venezio Investments Pte. Ltd.	479,096,858	43.37
2	Citibank Nominees Singapore Pte Ltd	121,775,484	11.03
3	DBS Nominees (Private) Limited	112,339,511	10.17
4	United Overseas Bank Nominees (Private) Limited	42,724,143	3.87
5	DBSN Services Pte. Ltd.	36,026,882	3.26
6	Raffles Nominees (Pte.) Limited	30,510,281	2.76
7	HSBC (Singapore) Nominees Pte Ltd	29,301,819	2.65
8	BNP Paribas Securities Services	22,012,127	1.99
9	Morgan Stanley Asia (Singapore)	11,068,563	1.00
10	Bank Of Singapore Nominees Pte. Ltd.	4,653,685	0.42
11	DB Nominees (Singapore) Pte Ltd	4,431,741	0.40
12	OCBC Nominees Singapore Private Limited	2,877,401	0.26
13	Mellford Pte Ltd	2,578,000	0.24
14	Heng Siew Eng	2,532,000	0.23
15	DBS Vickers Securities (Singapore) Pte Ltd	2,102,810	0.19
16	Merrill Lynch (Singapore) Pte Ltd	2,086,683	0.19
17	Leong Khuen Nyeon	2,000,000	0.18
18	Wong Kong Choo	2,000,000	0.18
19	Yim Chee Chong	1,680,000	0.15
20	Phillip Securities Pte Ltd	1,623,189	0.15
		913,421,177	82.69

* The shareholding percentage has been calculated based on the number of issued ordinary shares of the Company as at 25 May 2015, excluding any ordinary shares held in treasury as at that date.

SUBSTANTIAL SHAREHOLDERS

As at 25 May 2015, 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	–	479,874,521** (approximately 43.44%*)	479,874,521 (approximately 43.44%*)
Tembusu Capital Pte. Ltd.	–	479,096,858** (approximately 43.37%*)	479,096,858 (approximately 43.37%*)
Napier Investments Pte. Ltd.	–	479,096,858** (approximately 43.37%*)	479,096,858 (approximately 43.37%*)
Venezio Investments Pte. Ltd.	479,096,858 (approximately 43.37%*)	–	479,096,858 (approximately 43.37%*)

* The shareholding percentage has been calculated based on the number of issued ordinary shares of the Company as at 25 May 2015, 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 25 May 2015, approximately 56.29% of the issued ordinary shares of the Company (excluding Treasury Shares) 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

SATS LTD.

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

NOTICE IS HEREBY GIVEN that the 42nd 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 Tuesday, 21 July 2015 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 2015 and the Auditor's Report thereon.
2. To declare a final ordinary tax-exempt (one-tier) dividend of 9 cents per share for the financial year ended 31 March 2015.
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 Edmund Cheng Wai Wing, who will retire by rotation in accordance with Article 83 of the Company's Articles of Association and who, being eligible, offers himself for re-election as a Director of the Company.
6. To re-elect Ms Euleen Goh Yiu Kiang, who will retire by rotation in accordance with Article 83 of the Company's Articles of Association and who, being eligible, offers herself for re-election as a Director of the Company.
7. To re-elect Mr Michael Kok Pak Kuan, who will retire in accordance with Article 90 of the Company's Articles of Association and who, being eligible, offers himself for re-election as a Director of the Company.
8. To approve payment of Directors' fees of up to S\$1,300,000 for the financial year ending 31 March 2016 (2015: up to S\$1,300,000).
9. That KPMG LLP be appointed as Auditors of the Company in place of the retiring Auditors, Ernst & Young LLP, to hold office until the conclusion of the next Annual General Meeting of the Company, and that the Directors be authorised to fix their remuneration.

SPECIAL BUSINESS

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

10. 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.

11. That 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**”),

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.

Notice of Annual General Meeting

SATS LTD.

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

12. 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 23 June 2015 (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.

13. 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 ("**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.

14. 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

Singapore, 23 June 2015

Notice of Annual General Meeting

SATS LTD.

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

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 FY2014-15 for more information relating to Mr Baffsky. Mr Baffsky will, upon re-appointment, continue to serve as Chairman of the Nominating Committee and a member of the Remuneration and Human Resource Committee. Mr Baffsky is considered an independent Director.
 - (b) In relation to Ordinary Resolution No. 4, Mr Nihal Vijaya Devadas Kaviratne CBE 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 FY2014-15 for more information relating to Mr Kaviratne. Mr Kaviratne will, upon re-appointment, continue to serve as a member of the Audit Committee and the Board Risk and Safety Committee. Mr Kaviratne is considered an independent Director.
 - (c) In relation to Ordinary Resolution No. 5, Mr Edmund Cheng Wai Wing 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 FY2014-15 for more information relating to Mr Cheng. Mr Cheng will, upon re-election, continue to serve as the Chairman of the Board Executive Committee and the Remuneration and Human Resource Committee as well as a member of the Nominating Committee. Mr Cheng is considered an independent Director.
 - (d) In relation to Ordinary Resolution No. 6, Ms Euleen Goh Yiu Kiang 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 FY2014-15 for more information relating to Ms Goh. Ms Goh will, upon re-election, continue to serve as the Chairman of the Audit Committee and a member of the Board Executive Committee and Nominating Committee. Ms Goh is considered an independent Director.
 - (e) In relation to Ordinary Resolution No. 7, Mr Michael Kok Pak Kuan 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 FY2014-15 for more information relating to Mr Kok. Mr Kok will, upon re-election, continue to serve as a member of the Board Executive Committee. Mr Kok is considered an independent Director.
2. Ordinary Resolution No. 8 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 (“**FY2015-16**”). 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 FY2015-16, 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 FY2014-15, 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 FY2015-16. 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. 9 is to approve the appointment of KPMG LLP as the Auditors of the Company in place of the retiring auditors, Ernst & Young LLP, and to authorise the Directors to fix their remuneration. Please refer to the Letter to Shareholders for more details.

4. Ordinary Resolution No. 10, 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.
5. Ordinary Resolution No. 11 is to 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 Company has obtained shareholders' approval at the Annual General Meeting held on 23 July 2014 for an extension of the duration of the Performance Share Plan and Restricted Share Plan for a further period of 10 years from 19 July 2015 up to 18 July 2025 (both dates inclusive) in accordance with the rules of the Performance Share Plan and Restricted Share Plan.

6. Ordinary Resolution No. 12 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 of the SGX-ST) 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.
7. Ordinary Resolution No. 13 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 25 May 2015 (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 22,092,660 Shares.

Notice of Annual General Meeting

SATS LTD.

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

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 22,092,660 Shares at the maximum price of S\$3.54 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 22,092,660 Shares is approximately S\$78,208,016.40.

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 2015, based on certain assumptions, are set out in paragraph 3.7.4 of the Letter to Shareholders.

Please refer to the Letter to Shareholders for more details.

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 42nd Annual General Meeting of the Company to be held on 21 July 2015, the Transfer Books and Register of Members of the Company will be closed on 29 July 2015 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 28 July 2015 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 28 July 2015 will be entitled to the proposed final dividend.

The proposed final dividend, if approved by shareholders, will be paid on 12 August 2015.

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 23rd June 2015.

*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 21 July 2015 at 11.00 a.m. 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 Accounts and the Auditor's 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 Edmund Cheng Wai Wing as Director		
6	Re-election of Ms Euleen Goh Yiu Kiang as Director		
7	Re-election of Mr Michael Kok Pak Kuan as Director		
8	Approval of Directors' fees for the financial year ending 31 March 2016		
9	To appoint Auditors and authorise Directors to fix their remuneration		
SPECIAL BUSINESS			
10	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		
11	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 issue shares pursuant to the SATS Employee Share Option Plan		
12	To approve the proposed renewal of the Mandate for Interested Person Transactions		
13	To approve the proposed renewal of the Share Purchase Mandate		
14	Any other business		

* Delete accordingly

** Indicate your vote "For" or "Against" with a (✓) within the box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution.

Dated this _____ day of _____ 2015.

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
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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

23 June 2015

Dear Shareholder

This is a copy of the Summary Financial Report (“SFR”) of SATS Ltd. (“SATS”) for financial year 2014-15. The SFR contains a review of the SATS Group for the financial year ended 31 March 2015. 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 2014-15 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 2014-15 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 30 June 2015. **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 2014-15 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 30 June 2015. 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 7 July 2015.

Yours faithfully,
FOR SATS LTD.

Prema d/o K Subramaniam
Company Secretary

TO: The Company Secretary
SATS Ltd.

c/o The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

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 2014-15 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 2014-15 and for as long as I am/we are shareholder(s) of SATS Ltd.
- I/We wish to withdraw my/our election for hard copy Annual Report.

*** 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*):

<input type="checkbox"/>	CDP Securities Account Number:	<table border="1"><tr><td>1</td><td>6</td><td>8</td><td>1</td><td>-</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	1	6	8	1	-															
1	6	8	1	-																		
<input type="checkbox"/>	CPF Investment Scheme (“CPFIS”) Account																					
<input type="checkbox"/>	Physical Scrips																					

Name(s) of shareholder(s): _____

NRIC/Passport Number(s): _____

Address: _____

Signature(s): _____ Date: _____



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**BUSINESS REPLY SERVICE
PERMIT NO. 08403**



**The Company Secretary
SATS Ltd.**
c/o The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

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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

E: info_enquiry@sats.com.sg

Investor Relations

T: (65) 6541 8200

E: sats_ir@sats.com.sg

sats.com.sg