Delivering Global Solutions Delighting Customers

SATS LTD. Annual Report FY2023-24

Explore

SATS is delivering global solutions and delighting customers in over 215 locations in 27 countries.

UNITED STATES

INDIA

SOUTH AFRICA

FRANCE

SINGAPORE

Contents

SATS Story

WHO WE ARE

"We are a global leader in gateway services and Asia's preeminent provider of food solutions with approximately 50,000 employees delighting customers in over 215 locations and 27 countries across the world."

APPROXIMATELY
50,000
EMPLOYEES

OVER
215
LOCATIONS

ACROSS
27
COUNTRIES

OUR PEOPLE VALUES

The SATS Group is now a global organisation with a workforce spanning various regions. We are on a multi-year journey to build and sustain a global organisational culture, starting with a refresh of our People Values.

For more details on how our people values are embedded within the company

See "Corporate Governance Report" pages 76-124

01.
Safety
The safety and well-being of our team members, customers, and stakeholders are paramount. We prioritise a culture of safety, adhering to rigorous protocols and best practices to ensure a secure environment for all.

02.
Customer Focus
Our customers are at the heart of everything we do. We are committed to understanding their needs, exceeding their expectations, and delivering exceptional experiences that build lasting partnerships.

03.
Respect
We value diversity, inclusion, and mutual respect. We treat everyone with dignity and empathy, fostering an environment where all individuals feel valued, heard, and empowered to succeed.

04.
Excellence
We strive for excellence in all that we do. From the services we provide to the relationships we cultivate, we pursue the highest standards of quality, innovation, and continuous improvement. A spirit of excellence inspires and motivates us to continuously improve, bringing the best out of everyone.

05.
Teamwork
Collaboration is the cornerstone of our success. We recognise the collective strength of our team and embrace a spirit of collaboration, communication, and support to achieve our common goals.

OUR STAKEHOLDERS

Customers
Communities
Employees
Investors
Partners
Regulators

For more detailed discussions around our context and stakeholders

See "Corporate Governance Report" pages 76-124

See "Sustainability" pages 60-65

OUR PURPOSE

Feed and Connect Communities

OUR VISION

To be the market leader by delighting customers with innovative food solutions and seamless connections.

OUR MISSION

Using innovative food technologies and resilient supply chains, we create tasty, quality food in sustainable ways for airlines, foodservice chains, retailers and institutions. With heartfelt service and advanced technology, we connect people, businesses and communities seamlessly through our comprehensive gateway services for customers such as airlines, cruise lines, freight forwarders, postal services and eCommerce companies.

SATS Business Strategy

Delivering global solutions. Delighting customers.

We harness our domain knowledge, scale, and global network to create sustainable value for our stakeholders. We are pursuing growth opportunities that will deliver superior yield and create resilience for our business. We design and deliver innovative and unique solutions while keeping our customers at the heart of everything we do.

DIFFERENTIATORS

- **Integrated global network and technology platforms**
- **Sustained competitiveness from operational excellence**
- **Service excellence through customer centricity**
- **Culinary excellence anchored in Asian cuisine**
- **Quality delivery from empowered employees equipped with the right skills**

KEY PILLARS AND GOALS

KEY PILLARS		GOALS	
01.	**Air cargo champion** empowering end-to-end network solutions.	**Grow Share of Strategic Customers**	We aim to be the global air cargo solutions provider of choice for core and high-growth customers with one harmonised way of doing business and best-in-class operational excellence.
		Higher Yield through Service Innovation	We will increase our yield by offering innovative services and end-to-end network solutions, differentiated and scaled through technology.
02.	**Hub handler of the future** providing connectivity solutions at network carriers' hubs.	**Expand Footprint & Hubs**	We want to become the hub handler of the future for selected network carriers in their hubs. We seek to expand our presence in current regions and enter new markets.
03.	**Leading Asian aviation food solutions provider** delivering quality solutions at scale. **The preferred brand** in food solutions with authentic taste and nutrition.	**Future Proofing Aviation Catering**	We will sustain the No. 1 position in Asia and become the leading global brand for frozen food solutions in aviation.
		Growth from Global Branded Food Solutions	We will grow overall Food Solutions in high value segments of Ready-To-Eat market in key geographies.
		Competitive Supply Chain	We aim to maximise capacity utilisation to achieve cost competitiveness and establish a distribution network known for sustainable and ethical sourcing through business partnerships.
04.	**Sustainable profitable growth** to drive total shareholder returns.	**Maximise Returns from High-Graded Portfolio**	We will maximise returns from high-graded investment portfolio, that creates strategic value with superior returns, and recycle capital to de-leverage and support new investments.
		Differentiate through ESG Impact	We want to establish sustainability as one of our key competitive advantages and deliver on the commitments across our ESG focus areas.
		Strength of One People	We want to be the industry's Employer of Choice through an empowered and equipped workforce, developing leadership and talent.
05.	**Singapore Changi Airport's leading solutions provider** across cargo, ground handling & food.		We continue to be CAG's and SIA's strategic partner and solutions provider, aiming to grow and elevate Singapore's world-class aviation hub, leveraging technology, automation and skilled expertise to provide enhanced service quality.

STAKEHOLDERS

- **Employees**
- **Customers**
- **Investors**
- **Suppliers**
- **Communities**
- **Regulators & Governments**

Key Business Metrics

For more detailed information, please refer to page 66

Revenue	EBITDA+#	Share of results of associates/joint ventures, net of tax	Profit/(loss) attributable to owners of the company
FY2022-23 S$ 1,758.3M	FY2022-23 S$ 173.2M	FY2022-23 S$ 45.4M	FY2022-23 S$ (26.5)M
S$ 5,149.6M	S$ 890.6M	S$ 110.0M	S$ 56.4M

Operating statistics*

Cargo/Mail Processed	Passengers Handled	Gross Meals Produced	Flights Handled	Ship Calls Handled
7.8M (tonnes)	79.7M	96.3M	599.6K	309
FY2022-23 2.2M	FY2022-23 52.6M	FY2022-23 68.9M	FY2022-23 230.4K	FY2022-23 254

We analyse and track our performance continuously based on key operating and financial metrics to pursue service excellence.

Net Debt/ EBITDA+

3.9 times

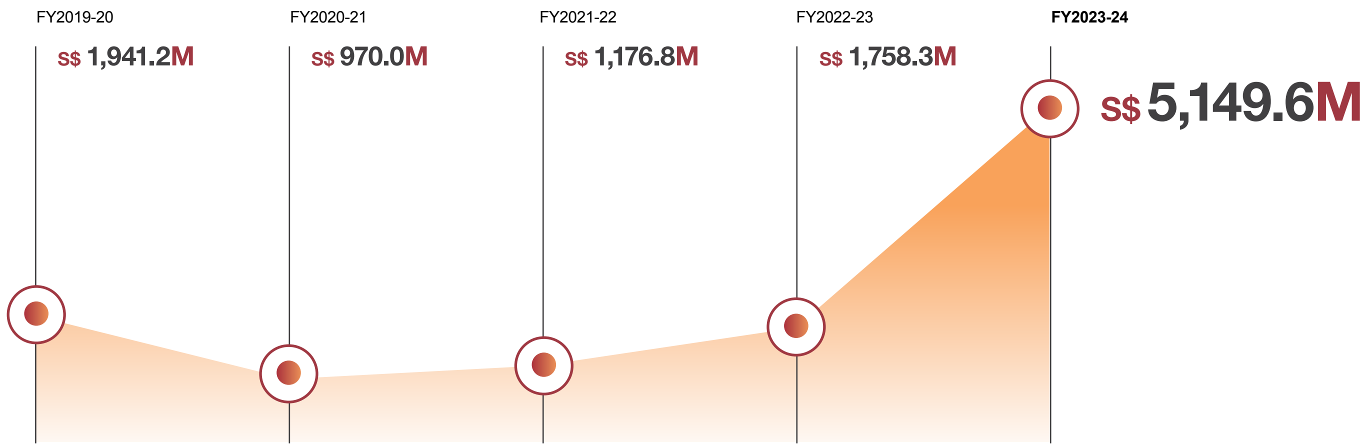
FY2022-23 6.4

Return on Equity

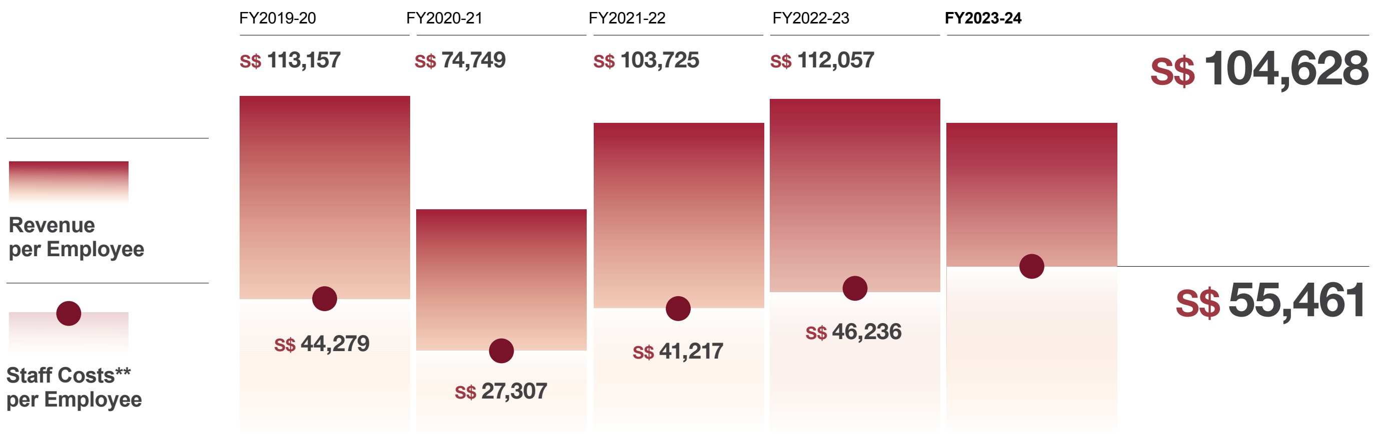
2.4%

FY2022-23 (1.3)%

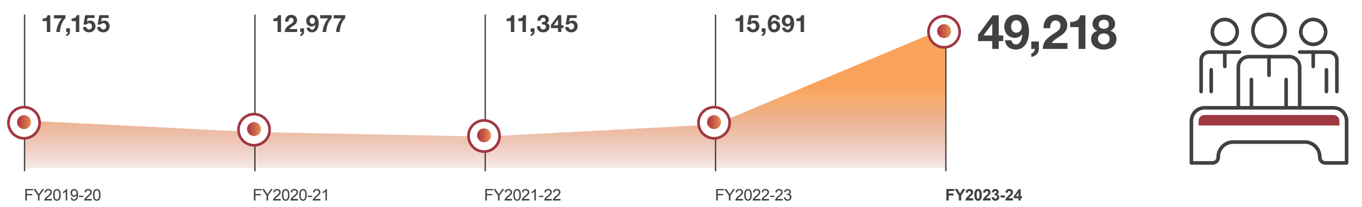
Consolidated revenue



Staff costs & revenue per employee



Average number of employees



Earnings per share (Basic)

3.8¢

FY2019-20	FY2020-21	FY2021-22	FY2022-23
14.3¢	(6.7)¢	1.8¢	(2.2)¢

Dividends per share

1.5¢

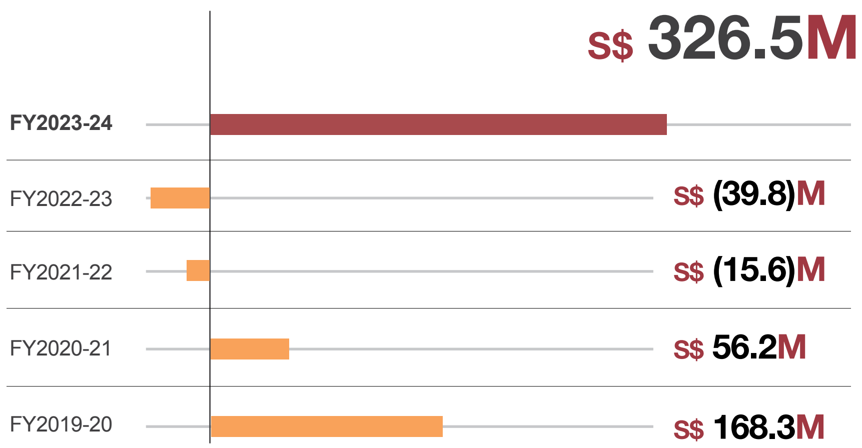
FY2019-20	FY2020-21	FY2021-22	FY2022-23
6¢	NIL	NIL	NIL

Net asset value per share

159.3¢

FY2019-20	FY2020-21	FY2021-22	FY2022-23
144.7¢	138.1¢	142.8¢	156.9¢

Free cash flow before payment of lease liabilities



Debt-equity ratio

1.60 times

FY2022-23	FY2021-22
0.59	0.46
FY2020-21	**FY2019-20**
0.51	0.35

EBITDA+ refers to earnings (including share of results of associates/joint ventures) before interest, tax, depreciation and amortisation; and excluding one-off items.

* Operating statistics cover SATS and its subsidiaries, but does not include associates/joint ventures.

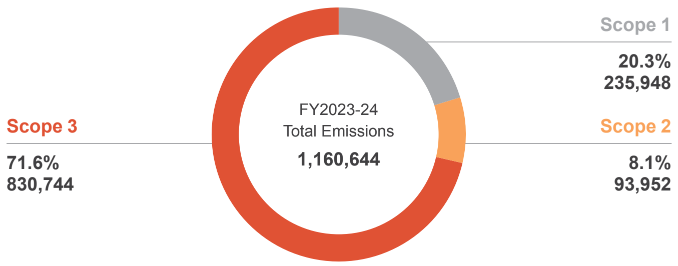
** Staff costs exclude cost of contract labour.

Key Sustainability Metrics

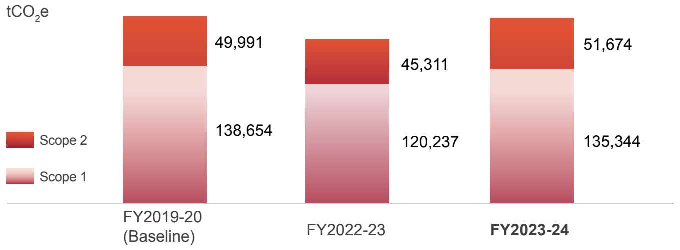
For more information, please refer to the FY2023-24 Sustainability Report

ENVIRONMENTAL

SATS Group FY2023-24 Scope 1, 2 and 3 emissions (including WFS)



Singapore operations Scope 1 and 2 emissions



	FY2019-20 (Baseline)	FY2022-23	FY2023-24
Total	188,646	165,548	187,019

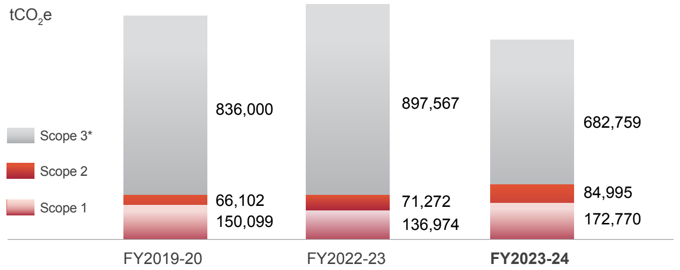
Heritage SATS Scope 1, 2 and 3 emissions

Comparing SATS Group's emissions before the acquisition of WFS between FY2019-20 and FY2023-24, the key factors contributing to the increase of 19% for Scope 1 and 2 are:

01. Organic growth in China

02. New businesses in Thailand, the United Kingdom and India

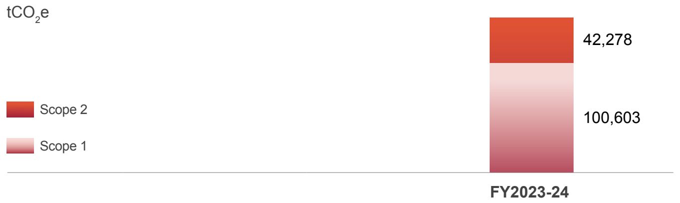
03. Acquiring majority stake in and consolidation of AAT



	FY2019-20	FY2022-23	FY2023-24
Total	1,052,201	1,105,813	940,524

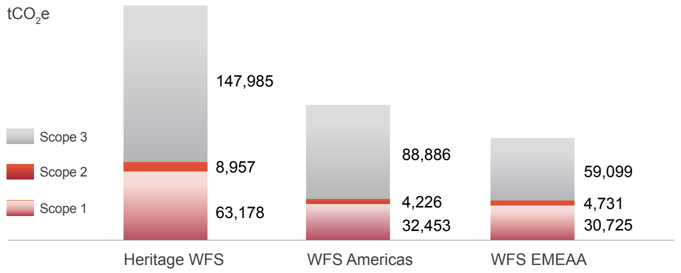
* Reduction in Scope 3 primarily due to change in calculation methodology from Quantis to Exiobase as the primary source of spend factors and spend categories

Overseas operations Scope 1 and 2 emissions FY2023-24 baseline



	FY2023-24
Total	142,881

WFS operations Scope 1, 2 and 3 emissions FY2023-24 baseline



	Heritage WFS	WFS Americas	WFS EMEAA
Total	220,120	125,565	94,555

Singapore carbon intensity performance

Scope 1 and 2 $kgCO_2e$ per unit of output	FY2022-23	FY2023-24
Gross meals produced	0.69	0.74
Flights handled	88	76
Cargo handled	7.29	6.58

SATS packaging that are reusable or recyclable-ready

Food Solutions	96%
Cargo	100%

* This is for Singapore operations only with the plan to establish the packaging baseline for overseas operations in the next reporting period.

Total Group vehicle fleet on cleaner energy*

11%

* cleaner energy vehicles include electric, hybrid and low-emission fuels

Food waste intensity performance in FY2023-24

Singapore

2.8%

FY2022-23 2.3%

Slight increase in food waste intensity driven by aviation recovery and a slight drop in gross meal production in our non-aviation catering.

Overseas

6.6%

SATS TFK, SATS China, SATS Thailand

Waste* reused, recycled or composted

23%

* this includes food waste, carton boxes, plastics, cooking oil, glass, metal (aluminium) and wood

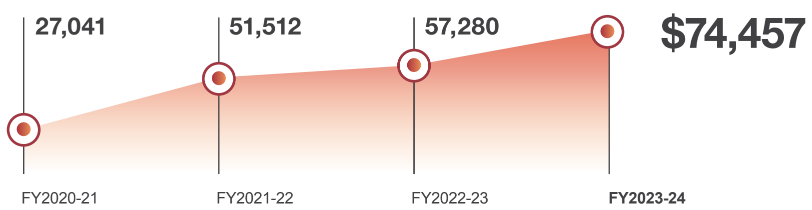
Waste to landfill and incineration reduced by

4%

from FY2022-23

SOCIAL

VAPE – Value Added Per Employee headcount



Average hours of training per employee

Rate of new hires by region

APAC	32.3%
EMEA	13.3%
Americas	90.7%

Total New Employee Hires 21,502

Turnover rate by region

APAC	20.6%
EMEA	7.7%
Americas	81.3%

Total Employee Turnover 17,484

SATS Global Employee Engagement Score

71%

Female representation in senior management

26%*

* as part of the integration between SATS and WFS, senior management refers to all VPs and above equivalent to N-3 for WFS (N=PCEO)

Group total volunteering hours

Overseas	1,543
Singapore	582

Group total no. of volunteers

Overseas	611
Singapore	204

High-consequence work-related injuries

Number 28 Rate 0.16

Recordable work-related injuries

Number 1,005 Rate 5.91

GOVERNANCE

Female representation on Board
46%

Independent directors on Board
92%

Employees who completed anti-bribery and anti-corruption training
85%

Critical suppliers who have been rated on ESG performance
100%
(SG food suppliers)

Strategic suppliers who have been rated on ESG performance
11%
(SG food suppliers)

Think Global, Act Local

SATS Group is building the foundation for a global company with exciting growth prospects in Asia and worldwide. Our focus is to integrate intelligently and intentionally, in line with our commitment to bolstering core capabilities in Singapore and expanding internationally.

CHANGI AIRPORT, SINGAPORE

Where SATS handled 54.5M passengers and 152.8K flights in FY2023-24

WFS CARGO FACILITY, BARCELONA, SPAIN

Has capabilities to handle specialised cargo like dangerous goods, pharmaceuticals, and temperature-controlled shipments

Spearhead End-to-end, Value-added Solutions

SATS and WFS have excellent operational processes and best practices. We will adopt best practices from both worlds to make a better world. This gives us an opportunity to create an “iron sharpens iron” environment, where both companies learn from each other and sharpen the whole.

INDIA CENTRAL KITCHEN, BENGALURU, INDIA

With capacity to produce 120,000 meals a day

Stay Focused on People

We are taking this opportunity to create an integrated team working as one unit, focused on delivering value to our customers. By marrying the cultures of SATS and WFS, we will create a dynamic and refreshed culture. Our aim is to lead our people towards individual and organisational success.

Chairman Statement

SATS PREMIER LOUNGE 3, CHANGI AIRPORT TERMINAL 3, SINGAPORE

Serving approximately 250,000 passengers annually

Euleen Goh
Chairman

DEAR SHAREHOLDERS,

As I reflect on my SATS journey in this, my final letter to you as Chairman, I have immense pride that SATS is evolving into a global aviation powerhouse, able to generate and sustain long-term value not just for you, our shareholder, but the wider aviation ecosystem.

When we made the bold and strategic move to acquire Worldwide Flight Services (WFS), even as SATS was recovering from the debilitating impact of the COVID-19 pandemic, there were many relevant questions on the strategic move and the consequential risks that SATS then faced. Board and Management were clear that this transformational move enabled the company to acquire the skillsets, operational capabilities and global network needed to future-proof the Group amid more intense international competition. It gave us room to grow into a world-class Aviation services provider, anchored in a world-class airport, Changi Airport.

Chairman Statement

Our imperative

In the decade leading up to COVID, SATS was highly profitable but experienced minimal growth year-on-year. We were a Singapore-centric, Asia-focused company. A substantial 80% of our revenue was derived from our operations in Singapore, and 55% of our revenue mix came from Food Solutions. We were at risk of disruptive effects on our business model and losing ground to our competitors. With trade wars and geopolitical tensions changing trade routes and companies moving manufacturing facilities onshore away from traditional markets, there has been and will continue to be supply chain disruptions that could affect our operations. Hence, the need to build resilience and strength to our business model.

After carefully assessing the risk factors, the Board and Management were aligned that WFS was the perfect asset in terms of size and reach for SATS. The transformational acquisition was a bold move to expand our geographical reach, capabilities and service deliveries. It has led to a re-alignment of strategy to be asset light with the capacity to capture growth opportunities in all our portfolios.

Integrate to accelerate

Through this first year of the integration of SATS and WFS, the collaborative spirit of the combined management team, the tireless efforts of all towards seamless integration and the agility to gain from the opportunities of the changing marketplace contributed collectively towards the positive results of the financial year. SATS Group is now firmly positioned for future success, capable of unlocking significant growth opportunities with strengthened business resilience.

SATS has evolved into a leading air cargo handler with an unparalleled global presence and the ability to serve customers worldwide through a connected network of operations in top-tier airports. The combined network covers trade routes that handle over 50% of global air cargo volume, providing the Group with wider coverage to manage changes in trade flows. Network connectivity and a global presence are critical enablers that allow SATS to provide high value, customer-centric services with high levels of operational performance.

We are established as a world class aviation services provider in hub airports and look to grow further with our specialist expertise. Singapore will be our anchor hub from which we will showcase our proficiency and efficiency in airport hub services. This will be the centre of our product and services innovation.

We have also made inroads to strengthen our Food Solutions business, having made strategic investments in food factories and central kitchens equipped with frozen meal production capability to cater to the growing demand for frozen meals. We plan to export these frozen meals to kitchens around the world, allowing SATS Food Solutions to expand rapidly and better serve customers in locations around the world.

Looking ahead

After one year of integration, SATS achieved full year revenue of S$5.1 billion, representing a 2.7-fold increase from its pre-COVID peak. It has also returned to profitability, delivering a profit of S$56.4 million in FY2023-24. Our businesses are now evenly spread across different geographies, products and services and all are delivering on a positive trajectory.

Towards an asset light model, we are also high-grading our portfolio and monetising our assets to free up balance sheet capacity. This approach, together with our increasing operating cash flows will serve to fund essential capital investments, take advantage of growth opportunities

50%

OF GLOBAL CARGO VOLUME IS HANDLED BY THE SATS COMBINED NETWORK

GLOBAL AIR CARGO TRAFFIC PROJECTED TO GROW IN 2024 BY

4.5%

Increasing demand for eCommerce and specialised cargo handling

"It has been a privilege to serve on the SATS Board with my colleagues, both past and present. The last 11 years have been eventful but fulfilling."

"To Team SATS: Make your mark by being the aviation powerhouse you were meant to be: Bigger. Bolder. Brighter. I will cheer you on from the sidelines. Thank you all!"

and share the success of the company with our shareholders. For the year under review, we realised S$61 million in proceeds from the sale of Maytag with more to come in the years ahead.

Poised to create increased value

It is anticipated that global air passenger traffic will fully recover to 2019 levels by the end of 2024. Global air cargo traffic is also projected to grow by 4.5% in 2024. This growth is expected to provide the Group with a strong opportunity to create value by riding on stronger demand and from better yields. SATS will capitalise on the expansion of the cargo supply chain and will benefit from the increasing demand for eCommerce and specialised cargo handling that spell higher yields, especially for temperature-sensitive items such as pharmaceuticals and perishables that require special care during their transit.

The rapidly growing urban markets that we serve will see increasing demand for reliable, high quality food products. Our central kitchens are set to deliver the culinary taste to suit our customers.

Through the future lens, we look to enhance our sustainability practices, with goals to reduce food waste, reduce our carbon footprint and provide food from sustainable sources. This is a journey that we look to all our customers to undertake with us.

Words of thanks

It has been a privilege to serve on the SATS Board with my colleagues, both past and present. The last eleven years have been eventful but fulfilling. When I joined the Board in 2013, SATS had just opened its specialised cargo handling facility at Changi Airport. The strides that we have taken so far took courage, drive, and energy to benefit from opportunities and deliver as planned, and I applaud the SATS Leadership Team for staying the course despite unprecedented challenges experienced during the pandemic years.

I congratulate WFS, which started as AMR Services in 1984 to provide ground handling services for American Airlines, on its 40th anniversary in 2024, and welcome WFS' deep experience and expertise to the SATS family. Having met and seen WFS Management and staff upfront, I am confident that the combined forces of SATS and WFS will create synergistic benefits that far exceed each entity operating alone.

Special appreciation goes to SATS Management, the unions, and all our staff for working tirelessly, around the clock and around the world, to fulfill our purpose of feeding and connecting communities. The leadership team, with Kerry at its helm, gives me much confidence that we will maximise our potential and be a globally leading company that we can all be proud of.

Jenny Lee and Detlef Trefzger step down from the Board together with me at this forthcoming AGM. We have benefitted from their clear perspectives and deep market knowledge. All have contributed significantly to building the future of SATS and, on behalf of Board and Management, I extend my heartfelt thanks to them and extend our very best wishes for their future endeavours.

I welcome the new members to the Board; Irving Tan as the new Chairman of the Board as well as Pier Luigi Sigismondi, Mak Swee Wah, Chan Lai Fung. I am confident that the refreshed Board led by Irving, with his vast global experience, will guide SATS successfully through its next phase of growth.

Special acknowledgement and appreciation goes to our shareholders and stakeholders who have kept faith with us and stayed the course through the uncertainties and volatilities of the market. The future of SATS is well anchored in its leaders, its people and its businesses. We will all look to sharing the fruits of the successful journey ahead.

To Team SATS: Make your mark by being the aviation powerhouse you were meant to be: Bigger. Bolder. Brighter. I will cheer you on from the sidelines. Thank you all!

Euleen Goh
Chairman,
SATS
21 May 2024

PCEO Statement

DEAR SHAREHOLDERS,

In the fiscal year of 2024 (FY2023-24), SATS returned to profitability thanks to the significant recovery in the aviation industry, which shows promising signs of continued tailwinds.

According to IATA, the aviation industry experienced a remarkable 36.9% year-on-year growth in 2023 and air traffic, reached 94.1% of 2019 levels, demonstrating a significant increase from 2022 when it was at 68.7%. Cargo volumes grew for the first time in 19 months in August 2023 and ended the year with strong momentum, achieving a 10% year-on-year growth in December 2023, marking the most substantial growth over the past two years.

PCEO Statement

Despite these positive developments, there are still uncertainties due to ongoing geopolitical conflicts such as the Russia-Ukraine conflict and the Israel-Hamas war which led to the Red Sea Crisis. We also experienced disruptions caused by the climate emergency, such as Typhoon Lan in Japan and extreme turbulence. These geopolitical events and climate change disruptions have led to inflation, economic uncertainties, and flight disruptions. Throughout the year, we have had to manage price pressures and stay operationally nimble to handle flight disruptions.

Against this backdrop, SATS embarked on the integration with Worldwide Flight Services (WFS) in April 2023 as we transitioned from an Asia-focused, Singapore-based company to a global leader in air cargo handling and a premier provider of aviation food services in Asia. Our global reach now spans over 215 locations in more than 27 countries across the Americas, Europe-Middle East-Africa-Asia (EMEAA) and the Asia Pacific.

Driving resilience and profitability

In FY2023-24, we achieved record revenues of S$5.1 billion and delivered a profit of S$56.4 million, a significant turnaround from three years of consecutive losses. This revenue growth was a result of the WFS acquisition and aviation recovery, and also saw greater diversification of our business mix, reducing our predominant focus on Singapore from 80% to 34%. Additionally, the EBITDA margin, inclusive of the share of earnings of associates and joint ventures, increased to 17.3% from 9.9% the year before.

The WFS acquisition was a strategic move to enhance SATS' business resilience and reinforce the foundation for our future growth to create long-term value for stakeholders. We are grateful to our shareholders for their support in our acquisition of WFS. I am pleased to report that the integration with WFS is on track and has begun showing tangible benefits from commercial and network synergies, improvements to operational excellence, and integrated procurements.

Our Copenhagen team hard at work

RECORD REVENUES

S$ 5.1B

PROFIT

S$ 56.4M

> "In FY2023-24, we achieved record revenues of S$5.1 billion and delivered a profit of S$56.4 million, a significant turnaround from three years of consecutive losses. This revenue growth was a result of the WFS acquisition and aviation recovery"

Our commercial teams have significantly boosted revenue by leveraging the benefits of our expanded network. We have also actively pursued opportunities to elevate our productivity through operational excellence. To date, we have successfully delivered about S$40 million of EBITDA synergies.

We have also successfully executed a number of liability management initiatives to reduce our debt and enhance our financial flexibility. This included promptly redeeming all of WFS' high-interest bonds and reconfiguring WFS' credit facilities to eliminate restrictive covenants. In January 2024, we were accorded an A3 rating from Moody's Investors Service and launched a US$500 million multicurrency debt issuance programme, which garnered 3.6 times oversubscription. These initiatives have delivered substantial refinancing and fiscal savings of S$65 million for SATS. We are also looking at how we can optimise our portfolio of assets. We have received S$61 million from the sale of Maytag and the proceeds from the sale will go towards funding our capital expenditures and debt repayments.

Unlocking value and growth

During the year, we have made headway by leveraging our global network in Gateway Services and regional leadership position in Food Solutions to scale and grow.

As a leader in the air cargo industry, SATS Group has continued to maintain our track record of renewing contracts with existing customers while expanding our collaboration with strategic customers across our global network. In this financial year, we have secured new contracts worth over S$180 million in annualised revenue. Some of the notable new contract wins in cargo include the Etihad cold chain cargo handling contract for three additional airports, DSV long-term European Gateway cargo contract in Liège, the Air China cargo handling contract in Los Angeles, and the Air Canada passenger, ramp, and cargo handling contract in Singapore.

We are developing specialised cargo solutions and driving innovation in eCommerce, pharma and perishable cargo handling to increase yield. Some examples of progress in this area include signing an MOU with Kuehne+Nagel to drive value chain improvements and sustainability, collaboration with Saudia Cargo and Cainiao to process cross-border eCommerce shipments in Liège

WFS Los Angeles ground handling operations

SECURED NEW CONTRACTS WORTH OVER

S$180M

PCEO Statement

The new India Central Kitchen in Bengaluru

> We remain committed to excellence, and will continue to craft authentic Asian cuisines while maintaining rigorous food safety standards.

and securing the Centralised Examination Station contract with the United States Customs and Border Protection agency for cargo safety and security at New York's John F. Kennedy International Airport.

For Food Solutions, SATS upheld our position as Asia's leading aviation caterer. For the sixth consecutive year, the readers of PAX International have honoured us with the prestigious "Airline Caterer of the Year for Asia" award. We remain committed to excellence, and will continue to craft authentic Asian cuisines while maintaining rigorous food safety standards.

SATS is also in a strong position to capitalise on the growth opportunity for frozen food solutions in Asia. In addition to our food factory in Thailand, we have opened two new kitchens in Tianjin, China, and Bengaluru, India. Our India Central Kitchen is SATS' largest kitchen facility, capable of producing 40,000 kg of ready-to-eat food products per day, bringing our food production capacity in Asia up to 750,000 meals per day. Our investment in frozen food solutions capabilities will enable us to serve customers beyond our current footprint without the need to invest in central kitchens locally.

SATS Food Solutions has built capability in a wide range of food technology to deliver convenient meals in different formats, from cook-fresh to ambient and frozen. Coupled with strong culinary expertise, we are winning new customers across different segments. Some of the significant new wins we have achieved in non-aviation food solutions include Swiggy in India and Nissin in Japan.

Strengthening the Singapore core

Singapore continues to be important to SATS' future and we are fully committed to empowering Changi Airport and our clients to achieve their global ambitions. We will use the global knowledge and best practices gained from the integration with WFS to further strengthen the Singapore Hub. We believe that our transformation into a global player will strengthen our Singapore Hub even more. With access to data across our expanded network, we can create seamless connections across stations, expedite shipments, and provide greater support during disruptions.

To that end, we are continuing to invest in Singapore. We are building a Built Up Pallet (BUP) Centre to ensure seamless handling of export cargo lodgements. We have solidified a strategic partnership with Shun Feng Express to bolster its regional hub operations in Singapore. We are also investing to increase efficiency and productivity as we scale up aviation meal production output in Singapore to 53 million meals by 2025.

Beyond aviation, we have also actively supported government agencies such as the Singapore Food Agency (SFA) in their efforts to enhance food security in Singapore. We collaborated with SFA and the Ministry of Education (MOE) for their nationwide SG Ready initiative, providing 50,000 meals to 40 schools in Singapore to educate young Singaporeans on the use of Ready-To-Eat meals as a quick and convenient source of sustenance during times of crisis or emergency.

INDIA CENTRAL KITCHEN CAPABLE OF PRODUCING

40,000KG
of Ready-To-Eat food products per day

Ramping up aviation meal production in Singapore

> Singapore continues to be important to SATS' future and we are fully committed to empowering Changi Airport and our clients to achieve their global ambitions.

PCEO Statement

THE BOARD OF DIRECTORS HAVE PROPOSED A FINAL DIVIDEND OF

1.5¢
per share

Cargo agents in Barcelona offloading a ULD

Creating one culture, one team

As a global company with 50,000 employees across more than 215 locations, we recognise that people are our most important asset. We have started integrating our teams and processes to leverage the expertise of our global talents more effectively and operate smoothly as a combined network. While there were a number of shared common values across Heritage SATS and Heritage WFS, we recognise that culture is key. We have developed and rolled out a common set of "People Values" across the organisation to align the values that we hold dear.
We also broadened our employee engagement surveys to encompass the 50,000 employees across our network. This will help us to assess the level of our employee engagement, establish a global baseline and allow us to better progress forward as a global employer of choice.

Dividend

In view of the Group's financial performance in FY2023-24, the Board of Directors has recommended a final dividend of 1.5 cents per share. This represents our commitment to shareholders that we will resume dividend payment once we restore profitability. The proposed final dividend will be tabled for shareholders' approval at the forthcoming Annual General Meeting on 19 July 2024 and if approved, will be paid on 8 August 2024. The book closure date is 26 July 2024.

Acknowledgements

We have some changes to the Board this year, notably the change in Chairmanship. Firstly, I want to express my gratitude to Euleen Goh, who will be retiring as SATS Chairman after the conclusion of the AGM on 19 July 2024. Euleen began serving on the SATS board as an Independent Director in 2013 and became Chairman in 2016. Under her leadership, SATS has achieved many milestones: a record-high stock price in 2018, the global expansion of SATS in 2022, and the highest-ever revenue of S$5.1 billion in 2024. I am thankful to Euleen for her unwavering commitment and exceptional leadership. Her steadfast guidance helped us navigate through the pandemic, and her visionary leadership transformed SATS into a global player. After stepping down, Euleen will be appointed as Advisor to the Chairman.

I look forward to working with Chairman-Designate, Irving Tan as SATS embarks on the next chapter of its globalisation journey. Irving is Executive Vice President, Global Operations at Western Digital, a leading maker of data storage devices. He was also the former Chairman of Asia-Pacific, Japan, and Greater China at Cisco, a worldwide technology leader.
I believe SATS will benefit greatly from Irving's global leadership experience.

I would like to express our heartfelt thanks to our shareholders for their unwavering faith and support of SATS as we focused on returning our business to profitability.
Over the past year, we have dedicated ourselves to delivering tangible results and fulfilling our commitments. I am grateful to our customers and business partners worldwide for their invaluable support, our Board members for their guidance and lastly, my colleagues in SATS Management and our dedicated employees for their diligence during this inaugural year of integration. We will forge ahead to pursue the next phase of growth and deliver value to our stakeholders.

One culture, one team

“I would like to express our heartfelt thanks to our shareholders for their unwavering faith and support of SATS as we focused on returning our business to profitability.”

Kerry Mok
President & Chief Executive Officer, SATS
21 May 2024

Geographical Presence

As at 21 May 2024

OVER

215

Locations

ACROSS

27

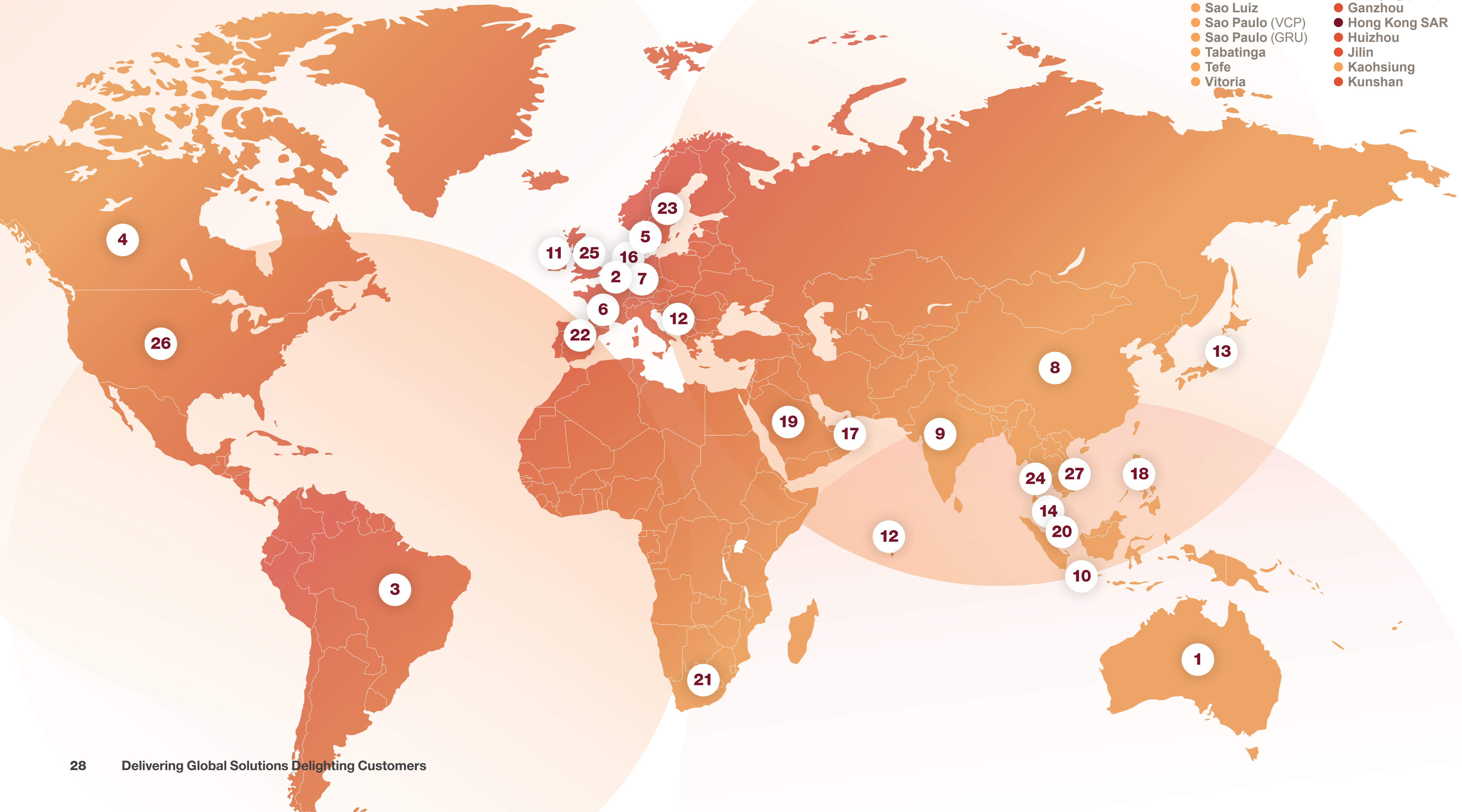
Countries

FOOD SOLUTIONS

GROUND HANDLING

CARGO HANDLING
* SUBCONTRACTED

GROUND HANDLING + CARGO HANDLING



1. Australia
- Brisbane
- Rockhampton

2. Belgium
- Brussels
- Liege

3. Brazil
- Belem
- Boa Vista
- Brasilia
- Cascavel
- Confins
- Congonhas
- Cuiaba
- Curitiba
- Fortaleza
- Goiania
- Joao Pessoa
- Manaus
- Natal
- Palma
- Porto Alegre
- Recife
- Rio de Janeiro (GIG)
- Rio de Janeiro (SDU)
- Salvador
- Sao Luiz
- Sao Paulo (VCP)
- Sao Paulo (GRU)
- Tabatinga
- Tefe
- Vitoria

4. Canada
- Dorval
- Mirabel
- Toronto

5. Denmark
- Copenhagen

6. France
- Bordeaux
- Lille
- Lyon
- Marseille
- Mulhouse
- Nantes
- Nice
- Paris (ORY)
- Paris (CDG)
- Rennes
- Strasbourg
- Toulouse

7. Germany
- Frankfurt

8. Greater China
- Beijing (PKX)
- Beijing (PEK)
- Ganzhou
- Hong Kong SAR
- Huizhou
- Jilin
- Kaohsiung
- Kunshan
- Macau SAR
- Nanjing
- Shanghai
- Shenyang
- Taichung
- Taipei (TSA)
- Taipei (TPE)
- Tianjin

9. India
- Bangalore
- Chennai
- Goa (GOI)
- Goa (GOX)
- Hyderabad
- Kolkata
- Mangalore
- Mumbai
- New Delhi
- Ranchi
- Trivandrum

10. Indonesia
- Balikpapan
- Denpasar
- Jakarta (CGK)
- Jakarta (HLP)
- Kalimantan
- Kertajati
- Medan
- Surabaya
- Tangerang
- Timika
- Yogyakarta

11. Ireland
- Belfast (BFS)*
- Belfast (BHD)*
- Cork
- Dublin
- Shannon

12. Italy
- Rome
- Milan

13. Japan
- Tokyo

14. Malaysia
- Alor Setar
- Bintulu
- Ipoh
- Johor Bahru
- Kota Bharu
- Kota Kinabalu
- Kuala Lumpur
- Kuala Terengganu
- Kuching
- Labuan
- Langkawi
- Miri
- Penang
- Sandakan
- Sibu
- Tawau

15. Maldives
- Male

16. Netherlands
- Amsterdam

17. Oman
- Muscat

18. Philippines
- Manila

19. Saudi Arabia
- Dammam
- Jeddah
- Riyadh

20. Singapore
- Singapore

21. South Africa
- Cape Town
- Johannesburg

22. Spain
- Alicante*
- Barcelona
- Bilbao*
- Getafe
- Madrid
- Malaga*
- Oviedo
- Santiago
- Sevilla*
- Valencia
- Vitoria*
- Zaragoza*

23. Sweden
- Stockholm

24. Thailand
- Bangkok

25. United Kingdom
- Aberdeen
- Edinburgh
- Glasgow
- London (LGW)
- London (LHR)
- Manchester
- Newcastle
- Surrey

26. United States
- Albany
- Allentown
- Atlanta
- Austin
- Baltimore/ Washington
- Billings
- Boston
- Bozeman
- Cedar Rapids
- Charleston
- Chicago (ORD)
- Chicago (MDW)
- Cleveland
- Columbus
- Dallas/Fort Worth
- Denver
- Des Moines
- Detroit
- Dulles
- East Granbury
- El Paso
- Eugene
- Fargo
- Fresno
- Great Falls
- Greensboro
- Harlingen
- Hebron
- Honolulu
- Houston
- Huntsville
- Indianapolis
- Jackson
- Kansas City
- Lafayette
- Laredo
- Las Vegas
- Lihue
- Little Rock
- Los Angeles
- Manchester
- Memphis
- Mesa
- Miami
- Minneapolis
- Mobile
- Montrose
- New Orleans
- New York
- Newark
- Oklahoma City
- Palm Springs
- Philadelphia
- Phoenix
- Pittsburgh
- Plattsburgh
- Rapid City
- Reno
- Rockford
- Sacramento
- Salt Lake City
- San Antonio
- San Diego
- San Francisco
- San Jose
- Sarasota
- Seattle
- Shreveport
- Sioux Falls
- Springfield
- St. Croix
- St. Thomas
- St. Louis
- Stockton
- Toledo
- Trenton
- West Palm Beach
- Wichita

27. Vietnam
- Ho Chi Minh City

Operational Statistics

SATS' extensive global network spanning the Americas, Asia-Pacific, Europe, the Middle East and Africa, including our joint ventures and associates, has enabled us to expand the scale of our operations, enhancing our ability to serve customers and communities more effectively.

GROSS MEALS PRODUCED

194.7M

PASSENGERS HANDLED

166.3M

CARGO TONNAGE HANDLED

10.9M

FLIGHTS HANDLED

1.0M

Board of Directors

As at 21 May 2024

1. Euleen Goh
2. Irving Tan
3. Kerry Mok
4. Achal Agarwal
5. Vinita Bali
6. Chan Lai Fung
7. Chia Kim Huat

8. Eng Aik Meng
9. Jenny Lee
10. Mak Swee Wah
11. Deborah Ong
12. Pier Luigi Sigismondi
13. Jessica Tan
14. Detlef Trefzger

Board of Directors

As at 21 May 2024

Euleen Goh Yiu Kiang

Age 69

Chairman
Non-Executive
and Independent Director

Date of first appointment as a Director
1 August 2013

Date of appointment as Chairman
19 July 2016

Date of last re-election as a Director
22 July 2022

Length of service as a Director
10 years 9 months

Board committee(s) served on
- Chairman, Executive Committee
- Chairman, Remuneration and Human Resource Committee
- Member, Nominating Committee

Present directorships in other listed companies
Nil

Present principal commitments
- Non-Executive Chairman, SATS Investments (III) Pte. Ltd.
- Non-Executive Chairman, Singapore Institute of Management Group Limited
- Trustee, Singapore Institute of International Affairs Endowment Fund
- Member, Public Service Commission Singapore

Past directorships in other listed companies held over the preceding three years
- Non-Executive Director, Deputy Chair and Senior Independent Director, Shell plc

Achievements
- Her World Woman of the Year 2005
- Public Service Medal at the Singapore National Day awards 2005
- Public Service Star at the Singapore National Day awards 2012

Academic and professional qualification(s)
- Fellow, Institute of Chartered Accountants in England & Wales
- Member, The Chartered Institute of Taxation, UK
- Associate Member, Institute of Financial Services, UK
- Fellow, Institute of Singapore Chartered Accountants
- Fellow, Singapore Institute of Directors

Irving Tan Tiang Yew

Age 54

Chairman-Designate
Non-Executive and
Independent Director

Date of first appointment as a Director
16 May 2024

Date of last re-election as a Director
–

Length of service as a Director
Appointed as a Director
16 May 2024

Present directorships in other listed companies
Nil

Present principal commitments
- Executive Vice President, Global Operations, Western Digital

Past directorships in other listed companies held over the preceding three years
- Director, Stanley Black & Decker, Inc. (NYSE)

Academic and professional qualification(s)
- Bachelor's degree in Mechanical Engineering (Honours), Nanyang Technological University
- Master's degree in Business Administration, Nanyang Technological University
- Honorary doctoral degree in Engineering, Curtin University

Kerry Mok Tee Heong

Age 53

President and Chief Executive Officer
Executive Director

Date of first appointment as a Director
1 January 2022

Date of appointment as President and Chief Executive Officer
15 December 2021

Date of last re-election as a Director
22 July 2022

Length of service as a Director
2 years 4 months

Board committee(s) served on
- Member, Executive Committee

Present directorships in other listed companies
Nil

Present principal commitments
- Chairman, Asia Airfreight Terminal Company Limited
- Chairman, Nanjing Weizhou Airline Food Corp. Ltd.
- Chairman, TFK Corporation
- Chairman, WFS Sweden AB
- President Managing Director, Worldwide Flight Services Holding SA
- Director, SATS (India) Co. Private Limited
- Director, SATS Investments Pte. Ltd.
- Director, SATS Investments (II) Pte. Ltd.
- Director, SATS Investments (III) Pte. Ltd.
- Director, SATS Treasury Pte. Ltd.
- Director, Worldwide Flight Services Denmark A/S
- Director, Worldwide Flight Services Holdings Inc.
- Director, Worldwide Flight Services, Inc.

Past directorships in other listed companies held over the preceding three years
Nil

Achievements
- Supply Chain Asia Visionary of the Year Award 2012

Academic and professional qualification(s)
- Bachelor of Business, Accounting (First Class Honours), Monash University, Australia

Achal Agarwal

Age 65

Non-Executive and
Independent Director

Date of first appointment as a Director
1 September 2016

Date of last re-election as a Director
22 July 2022

Length of service as a Director
7 years 8 months

Board committee(s) served on
- Member, Executive Committee
- Member, Remuneration and Human Resource Committee

Present directorships in other listed companies
- Non-Executive Director, Amcor Plc. (NYSE/ASX)

Present principal commitments
- Board of Trustee, World Wide Fund Singapore (WWFS) Conservation Fund
- Senior Advisor, Accenture Pte. Ltd.

Past directorships in other listed companies held over the preceding three years
Nil

Achievements
- CNBC Asia Business Leader of the Year 2016

Academic and professional qualification(s)
- BA (Hons), History, University of Delhi
- MBA, University of Delhi
- AMP, Wharton Business School

Vinita Bali

Age 69

Non-Executive and
Independent Director

Date of first appointment as a Director
10 May 2021

Date of last re-election as a Director
22 July 2021

Length of service as a Director
3 years 0 month

Board committee(s) served on
- Member, Executive Committee
- Member, Audit Committee

Present directorships in other listed companies
- Non-Executive and Independent Director, Cognizant Technology Solutions Corporation (NASDAQ)
- Non-Executive and Independent Director, Syngene International Ltd. (BSE/NSE)
- Non-Executive and Independent Director, Bajaj Auto Limited (BSE/NSE)

Present principal commitments
- Strategic Advisor, Caraway Pte. Ltd.
- Board of Trustees, Shell Foundation

Past directorships in other listed companies held over the preceding three years
- Non-Executive Director, Bunge Ltd (NYSE)
- Non-Executive Director, Smith & Nephew plc. (LSE)
- Non-Executive Director, CRISIL Ltd. (BSE/NSE)

Achievements
Recognised for various contributions to business and society, including:
- The Clinton Global Initiative, 2009 – for Nutrition work in India
- The Economic Times, Forbes, Fortune, Business Today and Business World for contribution to business
- The Teachers Leadership Award – 2009
- The Asian Centre for Corporate Governance & Sustainability – Best Woman Director Award – 2010
- The Financial Times – ranked 18th among the top 50 business women in the world in 2011

Academic and professional qualification(s)
- Bachelor of Economics, University of Delhi
- Master of Management Studies, Jamnalal Bajaj Institute of Management Studies, Bombay University

Board of Directors

As at 21 May 2024

Chan Lai Fung
Age 60

Non-Executive and Independent Director

Date of first appointment as a Director
28 February 2024

Date of last re-election as a Director
–

Length of service as a Director
3 months

Board committee(s) served on
- Member, Safety, Sustainability and Risk Committee

Present directorships in other listed companies
Nil

Present principal commitments
- Deputy Chairman and Board Member, NTUC Health
- Adjunct Professor, Institute for Governance and Leadership, Lee Kuan Yew School of Public Policy, National University of Singapore

Past directorships in other listed companies held over the preceding three years
Nil

Achievements
- Meritorious Service Medal – 2020
- Public Administration Medal (Gold) – 2009

Academic and professional qualification(s)
- Bachelor of Economics (First Class Honours), Monash University, Australia

Chia Kim Huat
Age 58

Non-Executive and Independent Director

Date of first appointment as a Director
15 March 2017

Date of last re-election as a Director
21 July 2023

Length of service as a Director
7 years 2 months

Board committee(s) served on
- Member, Nominating Committee
- Member, Safety, Sustainability and Risk Committee

Present directorships in other listed companies
- Non-Executive and Independent Director, CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (The Managers of CapitaLand Ascott Trust)

Present principal commitments
- Partner, Rajah & Tann Singapore LLP

Past directorships in other listed companies held over the preceding three years
Nil

Achievements
- Best Lawyers – Capital Markets, Corporate Law, M&A Law by Best Lawyers
- Elite Practitioner – Capital Markets, Corporate and M&A by AsiaLaw Profiles
- Singapore's Top 100 Lawyers by Asia Business Law Journal – The A List
- Leading Individual – Capital Markets by The Legal 500 Asia Pacific
- Highly Regarded – Capital Markets by IFLR1000
- National Leader – Southeast Asia: Capital Markets, Corporate Governance, M&A by Who's Who Legal
- Foreign Expert in China – Capital Markets, Singapore by Chambers Global

Academic and professional qualification(s)
- LLB (Hons), National University of Singapore
- Advocate & Solicitor, Supreme Court of Singapore

Eng Aik Meng
Age 54

Non-Executive and Independent Director

Date of first appointment as a Director
15 April 2023

Date of last re-election as a Director
21 July 2023

Length of service as a Director
1 year 1 month

Board committee(s) served on
- Member, Remuneration and Human Resource Committee

Present directorships in other listed companies
Nil

Present principal commitments
- Director & Group CEO, TE Healthcare Advisory Pte. Ltd.
- Director, 65 Equity Partners Pte. Ltd.
- Director, TE Asia Healthcare Partners Pte. Ltd.

Past directorships in other listed companies held over the preceding three years
Nil

Academic and professional qualification(s)
- Bachelor of Accountancy (Honours) from Nanyang Technological University
- MBA from Harvard University

Jenny Lee Hong Wei
Age 52

Non-Executive and Independent Director

Date of first appointment as a Director
25 January 2019

Date of last re-election as a Director
22 July 2022

Length of service as a Director
5 years 3 months

Board committee(s) served on
Nil

Present directorships in other listed companies
Nil

Present principal commitments
- Director, Temasek Holdings (Private) Limited
- Director, Cashshield Pte. Ltd.
- Granite Asia Capital Pte Ltd (change effective 1 April 2024; formerly known as GGV Capital Pte. Ltd.)
- Director, Granite Genesis Partners LLC
- Director, FLT Holding Limited
- Director, FUSE Technology Company Limited
- Director, GGV (CS) LLC
- Director, GGV (Immotor) Limited
- Director, GGV (Xcharge) Limited
- Director, GGV Capital LLC
- Director,GGV Asia Limited
- Director, Granite Global Ventures II LLC
- Director, Granite Global Ventures III LLC
- Director, GGV Capital IV LLC
- Director, GGV Capital V LLC
- Director, GGV Capital VI LLC
- Director, GGV Capital VI Plus LLC
- Director, GGV Discovery I LLC
- Director, GGV Capital Select LLC
- Director, GGV Capital (Shanghai) Co., Ltd.
- Director, GGV (Petkit) Limited
- Director, Spark Education Limited
- Director, GGV Capital VII LLC
- Director, GGV Capital VII Plus LLC
- Director, GGV Discovery II LLC
- Director, GGV Capital VII Entrepreneurs Fund LLC
- Director, GGV Capital VI Entrepreneurs Fund LLC
- Director, GGV Discovery II Pte. Ltd.
- Director, GGV VII Investments Pte. Ltd.
- Director, GGV VII Plus Investments Pte. Ltd.
- Director, GGV Discovery III Pte. Ltd.
- Director, GGV VIII Investments Pte. Ltd.
- Director, GGV VIII Plus Investments Pte. Ltd.
- Director, Palfish Inc.
- Director, Cloud First
- Director, XChange Technology International Limited
- Director, Treelab Inc.
- Director, Next Gen Foods Holding Ltd
- Director, 上海纪源私募基金管理有限公司
- Director, TTMFS Singapore Pte. Ltd.
- Director, GGV Discovery III LLC
- Director, GGV Capital VIII Plus LLC
- Director, GGV Capital VIII LLC
- Director, GGV Capital VIII Entrepreneurs Fund LLC
- Director, GGV Capital Hong Kong Limited
- Director, GGV Discovery IV-Asia LLC
- Director, GGV Capital IX LLC
- Director, GGV Capital IX Plus LLC
- Governing Board Member, Lee Kuan Yew School of Public Policy
- Governing Board Member, Duke-NUS Medical School
- Member, Singapore Research Innovation and Enterprise Council (RIEC)
- Member, Asia Business Council
- Member, Future Economy Advisory Panel

Past directorships in other listed companies held over the preceding three years
- Director, Agora, Inc (NASDAQ)

Achievements
- Recognised by the Forbes Global 100 VC Midas Annually (Ranking #1 Woman and #10 Overall in 2015)
- Named to the Vanity Fair New Establishment list, Fast Company Most Creative People in Business List
- Recognised by The New York Times and CB Insights Among the Top 100 Venture Capital Investors Worldwide (Ranking #17)

Academic and professional qualification(s)
- Master and Bachelor of Science in Electrical Engineering, Cornell University
- Master of Business Administration from Kellogg School of Management, Northwestern University

Board of Directors

As at 21 May 2024

Mak Swee Wah
Age 64

Non-Executive and Independent Director

Date of first appointment as a Director
11 September 2023

Date of last re-election as a Director
–

Length of service as a Director
8 months

Board committee(s) served on
- Member, Audit Committee

Present directorships in other listed companies
Nil

Present principal commitments
- Director, Mount Faber Leisure Group Pte. Ltd.
- Member, Civil Aviation Authority of Singapore – Air Hub Development Advisory Committee
- Senior Fellow, Singapore Aviation Academy

Past directorships in other listed companies held over the preceding three years
- Non-Executive and Independent Director of SIA Engineering Company Limited

Academic and professional qualification(s)
- Masters Degree in Science, majoring in Operational Research
- Bachelor of Science (First Class Honours) in Accounting & Finance, London School of Economics and Political Science

Deborah Ong
Age 65

Non-Executive and Independent Director

Date of first appointment as a Director
16 November 2020

Date of last re-election as a Director
21 July 2023

Length of service as a Director
3 years 6 months

Board committee(s) served on
- Chairman, Audit Committee
- Member, Safety, Sustainability and Risk Committee

Present directorships in other listed companies
- Non-Executive and Independent Director, StarHub Ltd
- Non-Executive and Independent Director, CapitaLand India Trust Management Pte. Ltd. (The Trustee-Manager of CapitaLand India Trust)

Present principal commitments
- Chairperson, Institute for Human Resource Professionals Limited
- Board Member, Monetary Authority of Singapore
- Board Member, Lee Kong Chian School of Medicine Governing Board at Nanyang Technological University
- Board Member, SkillsFuture Singapore
- Board Member, Workforce Singapore
- Director, Wah Hin and Company Private Limited
- Member, The Judicial Services Commission
- Director, Wealth Management Institute Limited

Past directorships in other listed companies held over the preceding three years
Nil

Achievements
- Public Service Medal at the Singapore National Day awards 2015
- Public Service Star at the Singapore National Day awards 2020

Academic and professional qualification(s)
- Bachelor of Accountancy (Honours), National University of Singapore
- Fellow, Institute of Singapore Chartered Accountants
- Fellow, Certified Practising Accountants (CPA) Australia

Pier Luigi Sigismondi
Age 58

Non-Executive and Independent Director

Date of first appointment as a Director
5 September 2023

Date of last re-election as a Director
–

Length of service as a Director
8 months

Board committee(s) served on
- Member, Safety, Sustainability and Risk Committee

Present directorships in other listed companies
Nil

Present principal commitments
- Executive Chairman and Director, Sustenir Group Pte. Ltd.

Past directorships in other listed companies held over the preceding three years
Nil

Achievements
- Recognised as one of the 100 Inspirational Leaders of Asia by White Page International

Academic and professional qualification(s)
- MS in Industrial Engineering, Georgia Institute of Technology, Atlanta, USA
- Computer Scientist & Systems Engineer, Universidad Simon Bolivar, Venezuela
- Executive Program, Singularity University
- C-Suite Business & Leadership Executive Program, Harvard Business School
- Leadership Development Program, IMD

Jessica Tan Soon Neo
Age 58

Non-Executive and Independent Director

Date of first appointment as a Director
17 April 2017

Date of last re-election as a Director
21 July 2023

Length of service as a Director
7 years 1 month

Board committee(s) served on
- Chairman, Nominating Committee
- Member, Audit Committee

Present directorships in other listed companies
- Lead Independent Director, Chairman of the Nominating and Remuneration Committee, Member of the Investment Committee, CapitaLand India Trust Management Pte. Ltd. (The Trustee-Manager of CapitaLand India Trust)
- Non-Executive Director and Member of the Remuneration Committee, Mitsui & Co., Ltd.

Present principal commitments
- Member of Parliament, East Coast GRC, Singapore
- Deputy Speaker of Parliament, Singapore
- Member, Finance; Trade and Industry; and Communications and Information Government Parliamentary Committees
- Chairman, East Coast Town Council
- Member, CGH Fund Committee – SingHealth Fund

Past directorships in other listed companies held over the preceding three years
- Non-Executive and Independent Director, CapitaLand Commercial Trust Management Limited (The Manager of CapitaLand Commercial Trust)

Achievements
- 2015 Singapore Computer Society IT Leader Award
- Received Two Times Gold Star Awards, Microsoft
- Achieved Eight Hundred Percent Clubs, IBM
- 1992 Golden Circle Award, IBM

Academic and professional qualification(s)
- Bachelor of Social Sciences (Honours), National University of Singapore
- Bachelor of Arts (Economics and Sociology), National University of Singapore

Dr Detlef Trefzger
Age 61

Non-Executive and Independent Director

Date of first appointment as a Director
15 April 2023

Date of last re-election as a Director
21 July 2023

Length of service as a Director
1 year 1 month

Board committee(s) served on
- Chairman, Safety, Sustainability and Risk Committee

Present directorships in other listed companies
- Member of the Supervisory Board, easyJet plc (London Stock Exchange)
- Member of the Supervisory Board, Accelleron Industries AG (SIX Swiss Exchange)
- Member of the Supervisory Board, Swiss Prime Site AG (SIX Swiss Exchange)

Present principal commitments
- Founder and Chairman, Larix Equity AG
- Director, SATS Investments (III) Pte. Ltd.
- Non-Executive Director, PSA International Pte. Ltd.
- Operating Advisor, Clayton, Dubilier & Rice, LLC

Past directorships in other listed companies held over the preceding three years
- CEO Kuehne + Nagel International AG

Academic and professional qualification(s)
- Ph.D. from Vienna University of Business Administration & Economics

Group Management Board

Kerry Mok
President & Chief Executive Officer

Manfred Seah
Chief Financial Officer

François Mirallié
Deputy Chief Executive Officer, WFS

Stanley Goh
Chief Executive Officer, Food Solutions

Bob Chi
Chief Executive Officer, Gateway Services

Michael Simpson
Chief Executive Officer, Americas, WFS

John Batten
Chief Executive Officer, Europe, Middle East, Africa & Asia (EMEAA), WFS

Tan Chee Wei
Chief Human Capital Officer

Henry Low
Chief Operating Officer

Véronique Crémadès-Mathis
Chief Strategy & Commercial Officer

Ian Chye
Chief Legal Officer & Company Secretary

Group Management Board

Kerry Mok
President & Chief Executive Officer

Kerry was appointed President and CEO of Singapore-based SATS Group in December 2021. During the COVID-19 pandemic, SATS scaled down the Group's activities due to the disruption to the aviation sector, and Kerry has led SATS through the ramp up of our ground handling and inflight catering services to successfully support the resumption of operations at Singapore's Changi Airport. Amid the aviation recovery, SATS also acquired Worldwide Flight Services (WFS) in 2023, to help transform SATS into the world's largest air cargo handler with a global network with a staff strength of 50,000 people across 27 countries. The Group is now focused on restoring profitability of the businesses, improving operational and service excellence, and driving integration across the global network.

Kerry has over 25 years in the supply chain management and logistics sectors. He joined SATS in 2018 as EVP, Food Solutions. Before joining SATS, he was CEO of YCH Group, a regional supply chain and logistics company, and prior to that, Kerry was at Goodpack Limited, the largest global provider of intermediate bulk containers (IBCs) as the acting Chief Executive Officer and Chief Operating Officer. He has also held roles at Accenture as Managing Director (Strategy – Operations) and Head of the ASEAN Supply Chain Strategy practice, and was also previously DHL's Senior Vice President – Global Head of Technology Sector and APAC Technology Sector & Service Logistics.

Kerry was appointed to Singapore government committees like the International Advisory Panel on Sustainable Air Hub, the Future Economy Council's Connectivity Sub-Committee, and the Ministry of Communication and Information's Infocomm Media Master Plan 2025 working group.

Kerry graduated from Monash University, Melbourne, Australia with a Bachelor of Business, Accounting (First Class Honours).

Manfred Seah
Chief Financial Officer

Manfred joined SATS as Chief Financial Officer in September 2017. He oversees the Group's global finance operations, which include strategic financial management; group treasury, cash management and insurance; strategic investment monitoring; investor relations; group procurement; and property management. Manfred played a crucial role in raising funds for the Group's acquisition of WFS, restructuring the Group's debt to reduce the overall cost of financing, and seamlessly integrating WFS into the SATS Group.

Manfred has over 25 years of investment banking, direct investments and financial management experience. He has held senior leadership roles in corporate finance and investment management, and has conducted corporate advisory, mergers and acquisitions activities in Asia.

Before joining SATS, Manfred was the Group Chief Financial Officer of SMRT Corporation Ltd, where he was primarily responsible for driving transformational changes to the business and financing structure of the Group. At SMRT, Manfred led a special task force that developed and facilitated the transition of SMRT Trains Limited to the new rail financing framework, and eventually managed the subsequent privatisation of SMRT Corporation Ltd by Temasek Holdings in 2016.

Manfred sits on numerous boards of SATS subsidiaries and associate companies. Manfred graduated with BSc. (First Class) in Mathematics from Queen Mary College, University of London and MBA from London Business School. He also qualified as a Chartered Accountant from ICAEW in the UK, and has been conferred an Advanced Diploma in Corporate Finance (CF) and Fellow (FCA) from ICAEW, and FCPA from CPA Australia. and Wales (FCA).

François Mirallié
Deputy Chief Executive Officer
WFS, A Member of the SATS Group

François Mirallié is the Deputy CEO of WFS. He joined the company in August 2016 as Group Chief Financial Officer.

François is a seasoned executive with global experience in a number of various industries and was CFO of Customs Sensors & Technologies before joining WFS. Prior to this, he had held similar positions in several multinational companies, including Ion Beam Applications, a company listed on the Brussels Stock Exchange; MediMedia, a publishing and marketing services business; Vizada, a satellite telecommunications company; and Zodiac Marine & Pool, a manufacturer of durable consumer goods.

François graduated from Ecole des Mines de Paris and the Wharton Advanced Management Program at the University of Pennsylvania.

Stanley Goh
Chief Executive Officer,
Food Solutions

Stanley joined SATS as Chief Executive Officer of Food Solutions in September 2022. He drives the performance of the Group's aviation and non-aviation food businesses by developing and executing high-quality and impactful business strategies to increase value for customers whilst improving productivity and developing new capabilities.

Prior to this, Stanley was the Regional Director of Food Services – Global Developing Markets at Fonterra since 2016. He was responsible for the overall strategy and outcomes for the Food Service business covering 12 key countries across Southeast Asia, the Indian subcontinent and the Middle East.

Stanley brings over 25 years of leadership experience in diverse industries covering in-country and regional roles spanning general management, sales, retail and product marketing, and business development. Before joining Fonterra, Stanley held senior leadership positions at Samsung Asia, Nike and Procter & Gamble, spearheading the commercial and operational management of these businesses.

Stanley graduated from the National University of Singapore with a Bachelor of Arts and Social Sciences in Political Science and Philosophy as well as a Bachelor of Arts (Honours) in Philosophy.

Bob Chi
Chief Executive Officer,
Gateway Services

Bob is the Chief Executive Officer, Gateway Services of SATS, and joined the company in August 1988. Prior to this appointment, he was the Chief Operating Officer, Gateway Services of SATS.

Bob has held other executive and managerial positions in SATS. He was the Senior Vice President of Sales & Marketing for Gateway Services where he was responsible for airline network marketing and the management of key accounts and ground handling contracts in Singapore. Prior to that, he was Chief Executive Officer of SATS-Creuers Cruise Services Pte. Ltd., where he was responsible for the management of the cruise terminal at Marina Bay Cruise Centre Singapore.

Bob has also served in various capacities in cargo, marketing as well as catering services. He was instrumental in setting up SATS Asia-Pacific Star Private Limited, a wholly-owned subsidiary of SATS which provides ground handling and inflight catering services to low-cost carriers at Singapore Changi Airport.

Bob holds a Master's degree in Business Administration from Leicester University and graduated as a Public Services Scholar from the National University of Malaysia (UKM).

Michael Simpson
Chief Executive Officer, Americas
WFS, A Member of the SATS Group

Mike Simpson is CEO of WFS the Americas. He joined the company in August 2016 as the CFO the Americas and was promoted to Executive Vice President the Americas in 2019.

Mike oversees WFS operations in North and South America. Prior to joining WFS, he was CFO of Sensis, Inc., a print and digital media portfolio company owned by Platinum Equity Holdings, LLC. Michael also served as CFO in several Platinum portfolio companies and Vice President of Portfolio Operations, managing the financial and operational transition of newly acquired companies at Platinum Equity. Prior to this, he was CFO of CompuCom Systems, Inc., an IT outsourcing company in North America.

Mike holds an MBA in Finance from St Mary's University and a BBA in Accounting from Abilene Christian University.

Group Management Board

John Batten

Chief Executive Officer, Europe, Middle East, Africa & Asia (EMEAA) WFS, A Member of the SATS Group

John Batten is CEO of WFS Europe, Middle East, Africa and Asia (EMEAA). He joined the company in 2015 as the Executive Vice President for WFS Business Development. He later took on the role of EVP for WFS's cargo operations in Europe, the Middle East, Africa and Asia.

John has over 45 years of senior leadership experience in the aviation industry. Before joining WFS, John was EVP of Cargo at Swissport. Prior to this, he was Senior Vice President of Cargo at Qatar Airways. He also held a leadership position at TNT Airways and was responsible for setting up the airline. An active member of IATA working groups on e-Freight, e-AWB and Cargo 2000, John is now a Cargo iQ board member.

Tan Chee Wei

Chief Human Capital Officer

Tan Chee Wei joined SATS as Chief Human Capital Officer in June 2023. She is responsible for all aspects of the Group's human capital strategy, including business partnering, talent acquisition, organisational development, employee relations and rewards.

Before joining SATS, Chee Wei was the Vice President, Human Resources for Northeast & Southeast Asia, as well as the Global Lubricants business at Shell. In Shell Lubricants, she served as a strategic global HR business partner to sales, marketing and supply chain professionals across more than 100 markets in 4 regions.

She brings more than 20 years of experience leading HR communities covering various business sectors including Upstream, Downstream manufacturing, Marketing, Trading and Supply. She was also Global Head of Talent & Learning, Group Technology & Operations at Standard Chartered Bank, and has experience with strategy and business consulting gained during her employment with Deutsche Bank AG Singapore and Andersen Consulting Singapore.

Chee Wei holds a Bachelor of Science (Honours) degree in Economics from the London School of Economics and Political Science, and a Masters of Communication Management degree from the Singapore Management University.

Henry Low

Chief Operating Officer

Henry Low is the Chief Operating Officer of the SATS Group. Henry oversees a combination of key corporate functions to drive safety and operational excellence, while enabling the Group to leverage technology and data to adapt, innovate and create new solutions for our customers. His portfolio encompasses Technology, Operational Excellence, Health Safety Security and Environment (HSSE), Enterprise Risk Management and Strategic programme management. Prior to this appointment, Henry joined the company in October 2022 as Global Head, Special Projects where he led integration programmes within acquisitions and drove operational excellence at a corporate level.

Before joining SATS, Henry was the Director and Country Manager for Amazon Singapore. He launched and led the Amazon.sg, Amazon Fresh and Amazon Global Store businesses with teams based in Singapore, United States and India.

Henry brings over 25 years of leadership experience in general management, category management, project management, operations, and global launches. At Amazon, Henry led several UK fulfilment centres, served as the Asia Pacific operations director for speciality fulfilment and was a key member of the international leadership team for new marketplace expansions. He was also on the board of directors of Amazon Asia Pacific Holdings, Amazon Payments and the Infocomm Media Development Authority. Prior to joining Amazon in 2010, Henry held senior command and staff roles spanning 15 years within the Singapore Ministry of Defence.

Henry holds a Bachelor of Science (Honours) in Psychology from University College London UK and Masters of Business Administration (Honours) from IMD Switzerland.

Véronique Crémadès-Mathis

Chief Strategy & Commercial Officer

Véronique was appointed Chief Strategy and Commercial Officer of SATS in October 2022. She is responsible for Strategy, Growth Transformation, M&A, Sustainability, Corporate Branding, Commercial, Marketing, as well as the SATS Global Innovation Centre. Véronique joined the company in October 2021 as Global Head of Strategic Transformation and Market Channel Development.

Before joining SATS, Véronique was Global Head of Sustainable Packaging at Nestle Head Office in Switzerland. Prior to this, she was Managing Director and Chief Executive Officer of Nestle New Zealand for six years and thereafter appointed Global Head of Dairy, Food and Confectionery at Nestle Professional.

Véronique has over 30 years of experience in the global Food and Beverage industry, working in the fields of marketing, product development, communications, compliance, sales and general management. Her diverse career roles have taken her across the globe in Europe, Americas and Asia-Oceania-Africa, with regional responsibilities in Singapore, Thailand, Myanmar, Cambodia, Vietnam and New Zealand.

Véronique holds a Master's degree, Double Major in Business and Food Science from Robert Schuman University in Strasbourg, France and graduated with a Bachelor's degree in Hospitality and Catering from Hotel Business School in Strasbourg, France.

Ian Chye

Chief Legal Officer & Company Secretary

Ian is Chief Legal Officer and Company Secretary of the SATS Group. He is responsible for the Group's legal, corporate secretariat, ethics and regulatory compliance functions. As a member of the Group Management Board, he works in close partnership with the business and functional leaders of the Group, providing counsel on strategy, commercial activities and business affairs, in addition to leading legal advisory and execution of M&A, divestitures and investments for the Group globally.

In addition to leading and managing the legal affairs of the Group, Ian is also responsible for corporate governance and plays a key role in Board functions and meetings, facilitating interactions between the Board and management.

Prior to joining SATS, Ian spent time as General Counsel of a private equity firm based in Singapore, providing strategic counsel on legal, corporate governance and compliance matters, as well as covering all M&A and venture capital activity globally. Ian is a seasoned legal professional with experience in both private practice and in-house leadership roles, with expertise in corporate advisory, public and private M&A, competition law, and structured finance. Ian had also spent significant time with Cargill where he was responsible for M&A activity in APAC amongst other internal leadership roles.

Ian qualified as an advocate and solicitor in Singapore and is a non-practising member on the Rolls of Solicitors in England and Wales.

Enhancing Capabilities

Our tiered kitchen strategy allows for scaling up our operations and fortifying leadership in aviation catering in Asia.

SATS INFLIGHT CATERING CENTRE 1, SINGAPORE

Rolling out Singapore Airlines' Premium Economy meals

Operations Review
Food Solutions

FY2023-24 Performance Review
SATS Food Solutions delivered robust growth of 27% in FY2023-24, primarily due to the rebound in travel and new demand in the non-aviation market segment. It has been a dynamic year as we ramped up our operations to manage larger volumes across our network, stabilise the productivity of our workforce and manage inflationary pressures. Gross meal production has almost reached pre-pandemic levels. To fortify our leadership in aviation catering in Asia, we inaugurated two new kitchens with frozen meal production capability – one in Tianjin, China, and another in Bengaluru, India – to bolster our tiered kitchen operating model.

Singapore
Post-pandemic, we witnessed a shift in travel preferences, with a notable surge in the demand for vegan and wellness options, mirroring a growing consumer emphasis on health and sustainability.

As a solutions partner to our airline customers in Singapore Changi Airport, SATS Food Solutions has been at the vanguard, not merely adjusting to travel preferences but actively pioneering in augmenting the passenger experience. By harnessing the prowess of SATS Global Innovation Hub's Insight Ecosystem and our extensive customer base, we are continually spotting emerging needs and trends and crafting innovative solutions, reiterating our dedication to meeting the evolving needs of our customers.

We have also done analysis such as the "voice of customers" scores for some of our customers across the aviation industry to compare metrics like service times. These insights are invaluable for our customers as they work towards enhancing service quality and efficiency.

In FY2023-24, SATS Food Solutions secured several new long-term inflight catering contracts, including Air Japan, Juneyao Airlines, and Starlux Airlines.

With production efficiencies gained in serving airline customers, we expand into the non-aviation segment, targeting customers who value operational efficiencies, culinary expertise and a firm commitment to food safety. SATS Food Solutions continues to expand and diversify our portfolio by securing new, larger contracts in non-aviation sectors. Two significant new clients in Singapore are ByteDance and Sengkang Hospital.

We are also improving our operational model by integrating back-of-house efficiencies into our front-of-house operations to ensure smooth service delivery. We use the insights gained from extensive customer interactions and back-of-house efficiencies to continually refine our processes and develop new offerings.

This year marks the 40th anniversary of Total Defence (TD40) in Singapore. SATS Food Solutions collaborated with SFA and MOE to provide retort meals to 50,000 students and teachers across the country in the inaugural Exercise SG Ready initiative, which simulated disruptions of food, power, and water supply. The objective of Exercise SG Ready is to educate young Singaporeans about the use of Ready-To-Eat (RTE) meals as a quick and convenient source of sustenance during times of crisis or emergency.

Through these initiatives, SATS Food Solutions is not only broadening our market reach but also strengthening our reputation as a versatile and reliable partner across various market segments. In April 2023, SATS signed a Memorandum of Understanding (MOU) with Mitsui to jointly explore various opportunities, which include strengthening the food value chain through diversifying supply sources, developing innovative products and services, and expanding sales and distribution channels to grow our business. SATS' subsidiary, Country Foods, has also recently signed an MOU with ten meat and poultry companies in Singapore, designating them as valued food purchase and supply partners to co-develop new products, augment supply, drive innovation and accelerate product development to achieve a resilient and efficient food supply chain.

China
With aviation recovering, all of our food entities in China are seeing an uptick in business. Specifically, our Nanjing Weizhou facility is showing strong signs of recovery, driven by the growing demand for frozen meals from Chinese carriers. Additionally, the facility has successfully broadened its reach by supplying meals to high-speed rail companies in Nanjing.

The demand for RTE meals is increasing in China, and in response to this growing demand, the Chinese government is taking steps to ensure high-quality food safety. With SATS' well-known reputation for high food safety standards, we believe we will be able to capture a greater share of this market.

The India Central Kitchen has capacity to serve 40,000 kg of Ready-To-Eat food products a day

In April 2023, we launched a new kitchen in Tianjin. The SATS Tianjin central kitchen integrates technologies such as the Internet of Things (IoT), which enable centralised monitoring and higher levels of precision in food preparation, temperature control, and resource management to uphold high food quality and safety standards while minimising food waste.

We have secured ByteDance as a new customer not only in Singapore but also in China. This demonstrates our ability to satisfy customers across different regions. Additionally, we have leveraged this cross-geography partnership with ByteDance by flying our chefs from China to provide more authentic and delightful food for their Chinese staff in Singapore.

India
India's market for RTE is growing rapidly due to changing lifestyles, urbanisation, and increasing disposable incomes. It is projected that the sales of such meals in India will grow at a rate of 45% between 2021 and 2026, reaching a projected value of US$64 billion. There is also a growing global demand for Indian RTE food products.

To meet the demand for both domestic and international markets, SATS launched the India central kitchen in April 2023. This kitchen is the largest SATS food facility outside Singapore and is equipped with technologies designed to meet the highest standards of safety, efficiency, sustainability, and innovation. The facility has the capacity to supply up to 40,000 kg of Ready-To-Eat food products per day to institutional catering, private labelling, and commercial clients, including large-scale food retailers, restaurants, cloud kitchens, cafes, and lounges in India, and international markets.

Prioritising food safety, the kitchen leverages industry-proven technologies such as the Internet of Things (IoT) to monitor the facility's ambient temperature, humidity, air quality, and utilities in places such as cold stores and cooking stations to ensure food integrity and safety. It also allows pre-programmed cooking processes to be monitored via live dashboards, with alerts automatically triggered if cooking timings and temperature settings deviate from pre-set recipes. Leveraging technology, the kitchen creates a digital record of a food product's journey from farm to table, tracing important information such as ingredient sources, harvest dates, transportation methods, and storage conditions, thereby, ensuring food security.

Food innovation is a key focus of SATS India central kitchen. The innovation chefs and food technologists in the kitchen collaborate with their counterparts across the globe to produce authentic flavours by exchanging live demonstrations through a special headcam and experimenting to develop new recipes. The facility also taps into SATS' global network of Experience and Innovation Centres to develop new and exciting food products that cater to the evolving tastes and preferences of consumers.

With the addition of SATS India central kitchen, our food production capacity in Asia will enable us to serve up to 750,000 meals per day, powering the Ready-To-Eat food era for the SATS network of customers in Asia and beyond. One of the first brands to join the SATS customer network is Bangalore-based Swiggy, India's leading food delivery platform provider. SATS is partnering with them to supply innovative food solutions across India.

Japan
Japan experienced some headwinds at the beginning of FY2023-24. Aviation recovery was sluggish due to disruptions caused by Typhoon Lan and the slow return of tourists from China, but the aviation sector is now on its way to recovery.

We are expanding strategically beyond aviation in Japan into new market segments by harnessing our culinary expertise through significant partnerships. Our non-aviation ventures now include a strong collaboration with Nissin to supply high-quality frozen RTE meals for retail. Additionally, our partnership with Costco is fuelling the development of premium frozen Western RTE meals. Bringing culinary delights to more customers, we have successfully teamed up with Meidi-Ya and Enterprise Singapore to showcase iconic Singaporean dishes such as laksa, chicken rice, carrot cake, and satay in both chilled and frozen formats at the Singapore Fair in August 2023.

Thailand
SATS Food Solutions Thailand initially started as a brownfield operation and has since significantly expanded its operations. We have completed phase one of our building plan, which has increased production capacity from 4,000 to 18,000 frozen meals daily. Groundwork for phase two has already commenced. With the implementation of greater automation, we anticipate increasing production capacity to 108,000 frozen meals per day.

I am pleased to report that we have achieved a significant milestone in Singapore. Despite the challenges posed by the post-pandemic situation, we have successfully scaled up our operations and addressed productivity and inflationary concerns. Our operations are now stable, and we have achieved profitability.

We have developed a strong growth strategy to take advantage of opportunities within and beyond Singapore and are already regaining market share in key markets where the pandemic disrupted our growth. Topping the year, SATS Food Solutions has been honoured for the sixth consecutive year with the "Airline Caterer of the Year for Asia" award by Pax International. This recognition reflects our commitment to excellence, and we are dedicated to maintaining and enhancing our achievements.

With our continuous excellence in aviation catering, tiered kitchen operating model, and investment in frozen meals, I am excited about the opportunity to solidify our market share in Singapore and expand beyond our geographical presence.

Stanley Goh
CEO, Food Solutions
SATS
21 May 2024

Operations Review
Gateway Services

CHARLES DE GAULLE
TERMINAL 1 EXPORT
WAREHOUSE,
PARIS, FRANCE

Handled 108,780 tonnes of cargo in FY2023-24

Strengthening Operations

Our expanded global network has enabled the Group to penetrate new markets while offering a wider range of services, including specialised cargo handling and downstream logistics.

Operations Review
Gateway Services

Autonomous tractor trials for baggage towing in conjunction with Changi Air Group

IN FY2023-24, THE REVENUE FROM SATS GATEWAY SERVICES INCREASED BY

4.5x

REACHING

S$ 4B

FY2023-24 Performance Review

The revenue from Gateway Services increased by 4.5 times, reaching a record high of S$4 billion. This significant growth was mainly driven by the consolidation with WFS and the continuing recovery in air travel compounded with a modest rebound of cargo volume. All regions experienced good growth, supported notably by robust eCommerce growth, while EMEAA benefited from the impact of the Red Sea Crisis. Gateway services now comprises 78% of the Group's business, with cargo representing 49%. The consolidation with WFS was a key factor driving revenue growth, as it allowed SATS to offer its airline customers a truly global network of cargo handling. In addition, we have expanded our e-commerce presence, established new logistics partnerships, and entered new markets.

We were pleased to seal a strategic partnership with Etihad Cargo covering cargo handling at 12 major international airports across Europe, Scandinavia, North America, India, and Asia Pacific. This agreement expands our pivotal role in serving Etihad Cargo, adding key airport stations to our existing global portfolio, in Europe, Asia and North America. In Europe this partnership includes Amsterdam, Barcelona, Copenhagen, Frankfurt, London Heathrow, Madrid, and Paris CDG. In Asia Bangkok and Bengaluru, and in North America, it encompasses WFS' current handling operations for Etihad in New York JFK and Washington Dulles, along with the new addition of Chicago.

Last October, SATS entered into a Memorandum of Understanding (MOU) with Kuehne+Nagel to improve the value chain and promote sustainability in the air logistics industry. As a continuation of this partnership, SATS collaborated with Sterling, a division of Kuehne+Nagel and a key player in global aviation logistics. Together, we aim to expedite first- and last-mile airside services for time-critical Aircraft-on-Ground (AOG) shipments. This collaboration combines Sterling's expertise in critical logistics with the enhanced visibility provided by SATS for express shipments booked with airlines.

Singapore and London Heathrow airports have been identified for a trial phase, with plans to extend the services to other airports within Sterling's network in the coming months. The collaboration between Sterling and SATS aims to optimise handling processes to meet the urgent needs of the aviation industry and expedite the delivery of aircraft components to quickly resolve AOG situations. The services provided will include specialised handling at the point of origin and destination to manage AOG shipments, as well as key time stamps for updates on the shipment's status on the ground.

We are pleased to report that WFS was honoured with the "International Cargo Handler of the Year" award at the STAT Times International Awards for Excellence in Cargo. This award recognises the dedication and service excellence of our teams worldwide and reflects our ambition to be an air cargo champion, driving end-to-end solutions across our global network.

In FY2023-24, the Gateway Services teams from all regions worked together to implement the global cargo network that is core to the rationale for the WFS acquisition. This collaboration has resulted in a joint commercial approach with key customers, leading to benefits that have already materialised in most regions. Additionally, it has led to the development of new solutions to better serve our airline and freight forwarder customers, as well as the implementation of operational excellence, best practices, and innovative solutions in specific stations of our expanded network. The initial success of these joint efforts validates the strategy behind the acquisition of WFS.

Overall, we have made significant progress in Gateway Services operating as a combined business in our first year of integration. As travel continues to recover and surpass pre-pandemic levels and cargo returns to growth, we are confident that we will be able to leverage our expanded network to deliver greater benefits for our stakeholders.

Singapore

This year, we invested in several service enhancement initiatives to support Singapore's growth as a global hub. In cargo, we are also building a Built Up Pallet Centre to increase handling capacity and ensure more seamless handling of intact cargo without the need to process it through the export terminal.

We have implemented an enhanced COSYS+ mobility module that allows our staff to update shipment statuses throughout the warehouse without having to return to the office. This includes updating statuses from cargo acceptance areas to workstations, seamlessly integrating with their workflow. This improvement enhances accuracy and efficiency.

In order to improve safety and efficiency in apron operations, we have implemented "Arrow" and "eReadback" technology to digitise the apron loading instructions. These technologies monitor the loading of Unit Load Devices (ULDs) and eliminate manual readbacks while directing the loading sequence for each departing ULD. Additionally, they enable a photo of the loaded and locked ULD to be taken and sent for validation. This enhances both safety and operational efficiency.

In collaboration with the Changi Airport Group, SATS has conducted various automation trials to find new ways to improve the use of manpower. We recently completed a successful trial that allows one operator to remotely control two Passenger Loading Bridges at the same bay. Additionally, we are preparing for larger-scale trials of autonomous tractors for baggage towing and autonomous shuttle buses to transport operational staff on the airside. In our Baggage operations, we will also be putting the Bulk Baggage Handling System (BBHS) in Terminal 3 on trial, with the aim of reducing the need for human intervention when handling departure bags.

To further improve hub handling and resource management, we have successfully rolled out an integrated system, Groundstar, throughout our Apron, Passenger Services, Cargo, Security, and Catering operations to better manage our resources based on flight schedules. The system automates roster optimisation and is equipped with a mobile framework that can quickly detect anomalies and disruptions and enable real-time communication. We will also be introducing the Optimiser module to better manage our resources for handling off-scheduled flights and flight disruptions.

We have made progress in capturing a greater share of cargo value-added services, winning a partnership with Shun Feng Express (SFE) to use our warehouse as their regional hub. By locating their operations within the SATS terminal, SFE is able to reduce door-to-door transit times, leading to shorter delivery windows for their customers.

The Americas

Throughout the year, we have been dedicated to improving our services, increasing our capacity, optimising operations, and advancing sustainability initiatives in the Americas to better serve our customers and make a positive impact on the aviation industry and the environment.

In line with our commitment to meet the evolving needs of our cargo customers, we initiated several facility expansion projects across key locations in the United States back in 2021. These capacity expansions in Atlanta in 2022, Chicago in 2023, and New York in early 2025 will not only enhance our operational capabilities and use of advanced technology but will also enable us to accommodate increasing demand and provide an even higher level of service excellence.

To accommodate our expanding customer base in ground handling and the growing travel demand as many of our airline customers return to pre-COVID schedules, we have successfully opened three new stations in 2023: Sacramento, California; St. Louis, Missouri; and Austin, Texas.

Our investment in infrastructure and the expansion of our network in the United States reflects our long-term vision for sustainable growth and customer satisfaction.

Sustainability is a core value that guides our actions and decisions. In 2023, we intensified our efforts to reduce our environmental footprint and promote sustainable practices throughout our operations. This includes initiatives to minimise energy consumption by switching to LED lighting in our warehouses, optimizing waste management practices by converting to BioNatur biodegradable plastic, and investing in eco-friendly technologies by deploying solar panels in all new facilities.

WFS North America has obtained several notable certifications, demonstrating our commitment to excellence and compliance with industry standards. These certifications include IATA's Safety Audit for Ground Operations (ISAGO) registration for our Headquarters in North America, as well as the certification of operations at Los Angeles International Airport and Seattle Tacoma International Airport. In 2023, two significant cargo facilities received the Good Distribution Practice (GDP) certification. The GDP certifications in Philadelphia, Pennsylvania, and Dallas, Texas, prove our dedication to upholding the integrity and safety of pharmaceutical products throughout the supply chain. These accomplishments showcase our unwavering focus on operational efficiency, environmental stewardship, and safety across all aspects of our business.

We have established partnerships with several major airlines and logistics providers, including Qatar Airways, Etihad Airways, Flexport, Air China, China Cargo Airlines, LATAM in Cargo, and Air France - KLM, Air Canada, Hawaiian Airlines, IAG Group, Spirit Airlines, and LOT Polish in Ground Handling. We are also pleased to have been selected by US Customs and Border Protection at JFK Airport to operate a new, centralised examination station. These new partnerships strengthen our position as a trusted partner in the Cargo and Ground Handling sectors and demonstrate our ability to provide customised solutions, exceptional service, and operational excellence to meet the evolving needs of our clients in an increasingly dynamic and competitive market.

Our Express business in North America has experienced significant growth, primarily due to the eCommerce boom. Currently, we operate 13 gateways across the USA for Amazon, and our strategic partnership with them has been a key driver of this expansion. This includes our recent acquisition of gateway operations in Atlanta, which further strengthens our position as a crucial logistics partner in the eCommerce ecosystem. Our steadfast commitment to innovation, operational excellence, and robust infrastructure continues to support and enhance our ability to meet the demands for rapid delivery in the present-day market.

In FY2023-24, WFS Orbital experienced strong growth in Brazil. This was marked by the renewal of key contracts with American Airlines, Air France, Atlas Air, and Azul Airlines. We also secured significant new business in Ground Handling and Aviation Security, forming partnerships with Delta Airlines, ITA Airways, Vinci Airports, and São Paulo-Guarulhos International Airport.

Operations Review
Gateway Services

Our Cargo business expanded rapidly through collaborations with airport operators and new contracts with Total Express Cargo, Martin Air, Mercado Libre, and Anjun. These accomplishments have strengthened our position as a leader in the Brazilian market across all lines of business. Additionally, in partnership with LATAM Airlines, we have continued to enhance our Hub operations at Guarulhos Airport in São Paulo, ensuring sustained growth and reinforcing our position as a pivotal player in the Brazilian aviation industry.

EMEA

In FY2023-24, we made significant progress in establishing WFS as a major player in Gateway Cargo and the global logistics value chain. We increased our market share and strengthened our business resilience by enhancing our capabilities in key markets, expanding into new markets, and collaborating with key industry players to develop unique, value-added service offerings. With a firm commitment to delivering exceptional service, we successfully renewed eight contracts with Saudia Cargo and acquired new contracts in Bengaluru, India and Liège, Belgium.

We have taken our leadership in eCommerce cargo handling to the next level by partnering with Saudia Cargo and Cainiao to streamline operations and implement cutting-edge logistics innovations for the efficient processing of cross-border e-Commerce shipments in Liège. With this partnership, WFS will handle over 50,000 tonnes of cargo annually between Liège and Riyadh. Additionally, SATS will work with Cainiao on leveraging its state-of-the-art technology such as AGVs, PDAs, digital dashboards, and live tracking systems. This is transformational for the industry and our partners aim to replicate the same capability across their networks.

Renewing our cooperation with Singapore Airlines was a significant achievement in FY2023-24. We renewed our contract with the airline at Manchester Airport, Brussels Airport and Paris Charles de Gaulle Airport for cargo handling and at London Heathrow Airport for cargo and freighter ramp. The renewal also included the organisation of the trucking services for the airline in the United Kingdom and France. Additionally. we secured the cargo handling contract for the new Singapore Airlines' passenger flights into London Gatwick Airport.

One of the most significant launches of the year was the successful award of the CMA CGM full freighter operation into Paris Charles de Gaulle Airport to WFS. Our Pharma Hub worked hand-in-hand with our customer to provide best-in-class pharmaceutical logistics solutions that guaranteed quality and efficiency in pharma handling.

The Cargo business in Spain is growing rapidly, driven mainly by eCommerce. WFS is a key cargo player in Madrid Airport, serving 93 airline customers and providing trucking services that connect major airports across Spain and the EU. Over the last two decades, WFS has made proactive investments to expand its operations in Madrid, accommodating the rapid customer growth at Spain's leading cargo airport by adding facilities over the years. In the year, we have invested in a fifth cargo terminal in Madrid to provide increased growth capacity. The new 12,500 square metre facility, directly connected to the airport tarmac, will feature dedicated areas for pharmaceuticals, dangerous goods, vulnerable cargo, live animals, and other items requiring specialised treatment.

Leveraging our extensive global presence, we have successfully rolled out our full suite of end-to-end eCommerce and Freight Forwarders Handling (EFFH) services that significantly enhance efficiency for all stakeholders in the ecosystem. Notable achievements in this regard include securing a long-term European Gateway cargo handling contract with DSV, expanding the full suite of services to Brussels and Liège, and fully digitising our operations to achieve efficiency and increased capacity. Other startups of EFFH services were EDT in France and Charles de Gaulle Airport, Yun Express in Spain and Megacap in Liège.

In Sweden, we have also strengthened our specialised cargo handling capability in Scandinavia and added capacity for growth through the acquisition of Terminal & Transporttjänst i Sigtuna AB and APH Logistics AB completed at the end of May 2024. The acquisition will provide us with an additional 13,000 square metres of warehouse space and downstream air cargo handling capacity to allow it to diversify and expand its product offerings to meet customers' demands.

Enhancing safety and operational excellence, we have implemented Cind's ContourSpect, a 3D modeling software, to specific stations within our Europe, Middle East, Africa, and Asia (EMEAA) network following a successful Proof of Concept at our cargo terminal in Copenhagen Airport. ContourSpect generates a 3D model of cargo loaded on an air cargo pallet and compares it in real-time with the selected virtual contour. It utilises 3D cameras positioned around the ULD build-up area to monitor the contour frame, eliminating the need for manual measurements and time-consuming quality control.

In April 2023, we proudly received the DG (dangerous goods) auto check recognition certificate after the first successful deployment in the UK in July 2022. With this certification, WFS guarantees the quality of the dangerous goods process acceptance and enhances safety in the global supply chain.

Asia

Our Thai subsidiary, Bangkok Flight Services, achieved Goods Distribution Practices (GDP) certification for its pharmaceutical facility in 2023, further solidifying our global leadership in pharmaceutical handling at 20 major airports. This certification verifies our advanced temperature management, auditing processes, and risks assessment, ensuring consistent and compliant handling of temperature-sensitive pharmaceuticals.

Located in the heart of the airport's cargo area, our 2,400 square metres Bangkok pharmaceutical facility is equipped with the latest technology for warehouse management, real-time temperature monitoring, shipment tracking, CCTV monitoring, and security alarms. It is equipped to handle products that need to be stored between +2°C and +8°C and between +15°C and +25°C.

China continues to lead in manufacturing and is one of the fastest-growing consumer markets globally. Asia Airfreight Terminal (AAT), our cargo facility in Hong Kong, has introduced a sea-to-air intermodal cargo handling service between Hong Kong International Airport (HKIA) and HKIA Logistics Park in Dongguan. This initiative enhances the supply chain connectivity for international air cargo between Hong Kong and the Greater Bay Area (GBA). With this new intermodal scheme, cargo acceptance for export in the GBA can be handled in advance in Dongguan and then transferred to the air side of HKIA by sea for direct air transhipment to overseas destinations. This initiative aims to provide a seamless, optimised process for cargo transhipment, with improved connectivity and streamlined processes.

Committed to reducing carbon emissions, AAT conducted an Energy Audit Report in October 2023 that complies with the Building Energy Efficiency Ordinance in Hong Kong. This allows AAT to assess the energy consumption of their buildings and identify potential energy-saving measures.

AAT COOLPORT proudly received prestigious accolades in 2023, including "Cold Chain Service Provider of the Year for Asia Pacific" at the 10th Payload Asia Awards 2023 and "Supply Chain Innovator of the Year for Cold Chain" at the Supply Chain Asia Awards 2023.

Bengaluru is the third largest and fastest-growing cargo hub in India. In May 2023, WFS opened a cargo terminal and cold chain facility at Kempegowda International Airport in partnership with Bengaluru International Airport Limited (BIAL) and signed up 20 international airline customers within three months of its opening. Plans are underway to double the terminal's annual throughput to more than 250,000 metric tonnes in two phases.

AISATS has finalised the concession agreement with Yamuna International Airport Private Limited to construct an integrated Multi-Modal Cargo Hub (MMCH) at Noida International Airport in May 2023. This groundbreaking project, the first of its kind in India, will encompass an Integrated Cargo Terminal (ICT) and an Integrated Warehousing and Logistics Zone (IWLZ) built over 87 acres of land. The MMCH is expected to handle about 3 million metric tonnes of cargo through its ICT and IWLZ at Noida International Airport. The construction of the ICT is already in progress, and AISATS is set to begin MMCH operations in November 2024, coinciding with the launch of Noida International Airport.

Besides Noida, SATS has also invested in new infrastructures elsewhere in its network. SATS entered the Saudi Arabia market in 2017 and has gradually built up a portfolio of purpose-built, owned, and operated warehouse facilities at the three main hub airports in Dammam, Riyadh, and Jeddah. Despite its humble beginnings, SATS Saudi Arabia (SSA) has won more than 20 airline customers, offering consistent and seamless air cargo handling services across the three main hub airports in Saudi Arabia. The combined annual handling capacity of 750,000 tonnes sufficiently equips SSA for the expected exponential growth in airfreight, eCommerce, and logistics driven by the Kingdom's Vision 2030.

Nearer home, we have also invested in expanding our warehouse facility in Kuala Lumpur, operated under Ground Team Red (GTR), a joint venture with Air Asia. Driven by the cargo throughput surge from 120,000 to 160,000 in the previous year, primarily fuelled by our partner Air Asia's Teleport business, as well as SATS' pursuit of partnerships with logistics and eCommerce customers, GTR completed the warehouse expansion initiative in Nov 2023. The warehouse expansion increased GTR's overall build capacity to 86,000 tonnes, enabling the introduction of the innovative Agent Build-up Area (ABA). Qualified agents can now build their cargo within GTR's premises after mandatory training, further enhancing operational flexibility. The warehouse now caters to prominent airlines and freighters, including Etihad Cargo, Jingsu Jingdong Cargo, Silk Way West Airlines, Teleport, and YTO Cargo Airlines. The strategic expansion positions GTR to seamlessly accommodate escalating cargo volumes, reinforcing its commitment to operational excellence and customer satisfaction.

Over in Indonesia, PT JAS managed to secure the management of the lounge at I Gusti Ngurah Rai International Airport, Denpasar (DPS), for the next four years in May 2024. Spanning an area of 844 square metres and with a capacity to accommodate up to 250 passengers, this will allow the continuous provision of lounge services for airlines' premium passengers, enhancing our capability to offer comprehensive one-stop solutions for key gateways in Indonesia.

PT JAS has introduced the Road Feeder Service (RFS) for cargo using bonded trucks. This service expands the coverage area for airlines, creating more business opportunities. By using RFS, cargo can move seamlessly from Kertajati (KJT) and Surabaya (SUB) to Cengkareng (CGK) and Denpasar (DPS), helping airlines make the most of their bellyhold and freighter capacities and delivering better value to our airline partners.

Indonesia remains a key market for SATS in our strategy to leverage our large geographical footprint to develop end-to-end value-added solutions for our customers. In April 2024, SATS announced a partial divestment of our stake in PT Cardig Aero Service (CAS), the holding company of JAS, while remaining invested in JAS. Our partial divestment to the new partner, a diversified Indonesian conglomerate, will provide us with the local network to strengthen our overall operations in Indonesia.

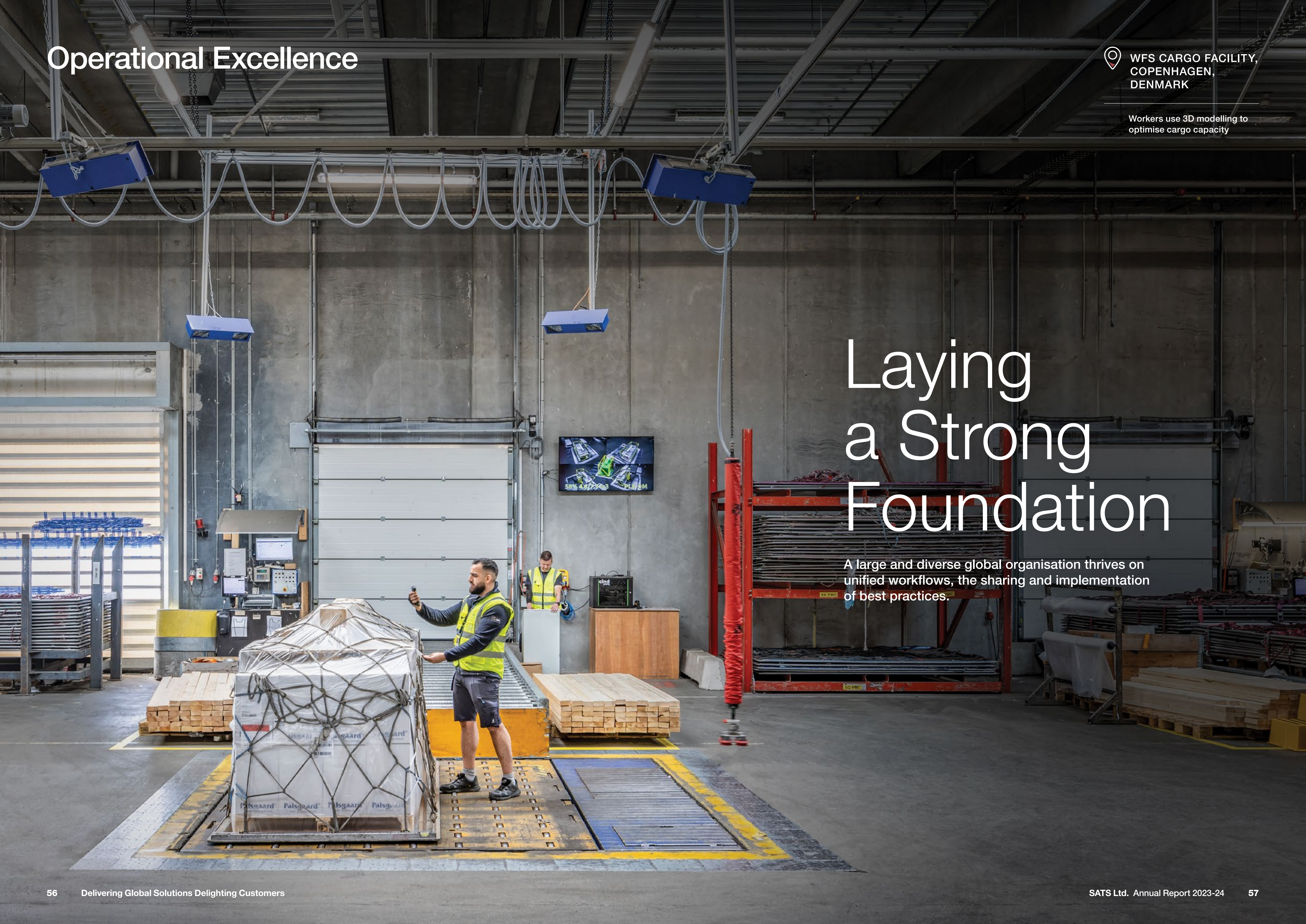
As we grow and expand in Asia, we are conscious of the impact of our business on the environment and have introduced several sustainability initiatives in key markets. For instance, AISATS launched AeroWash, which uses advanced robotic technology to perform mechanised exterior cleaning that not only saves water but also reduces carbon emissions from aircraft cleaning. AISATS also introduced its in-house designed solar-powered, air-conditioned boarding ramp tailored for narrow-body aircraft. The ramp harnesses 12,115 KWH of power to fuel its air conditioner servicing needs

Bob Chi
CEO Gateway Services
SATS

Mike Simpson
CEO Americas
WFS

John Batten
CEO EMEAA
WFS

21 May 2024



WFS CARGO FACILITY, COPENHAGEN, DENMARK

Workers use 3D modelling to optimise cargo capacity

Laying a Strong Foundation

A large and diverse global organisation thrives on unified workflows, the sharing and implementation of best practices.

Operational Excellence

Making tomorrow better than today

The combination of SATS and WFS presents a unique opportunity for the Group to be a global leader in air cargo handling and a premier provider of aviation food services in Asia. We have taken this opportunity to leverage the strengths and capabilities of both organisations to form a robust network that operates around the clock and around the world. By capitalising on our synergies, we are on the journey to continuously drive operational excellence in our all businesses, which will provide substantial value to our stakeholders.

Our focused efforts on process efficiency, waste reduction and continuous improvement have achieved significant productivity improvements over the last year. We are also reinforcing these initiatives by setting global standards for OE practices such as 5S, GEMBA walks, visual management and shift briefings, augmented by value stream mapping exercises. These practices drive the drumbeat of our operational cadence for consistency and allow us to gain insights and identify opportunities for improvement to our current processes and practices. This enhances efficiency to better meet customer needs and ultimately contributes to driving success and sustainable growth for the Group.

Enhancing performance visibility, establishing global metrics

Standardised global metrics are crucial for ensuring consistency and comparability across our global network. It enables benchmarking, alignment of goals, facilitates informed decision making and promotes accountability and responsibility across all our global stations.

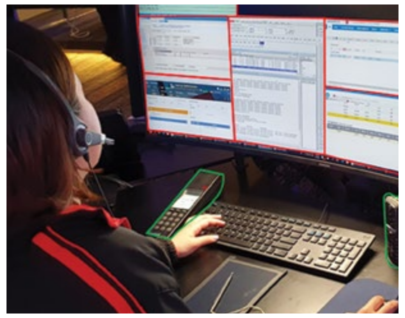
Over the past year, we have developed global standard operating metrics for Health, Safety, Security and Environment (HSSE), Information Technology and Cargo Productivity. We are also in the process of rolling out other global standard metrics and dashboards across other functions including ground handling and food solutions. These global metrics will then allow us to conduct trend analyses and performance evaluations to raise operational awareness and encourage constructive dialogue that will help our stations and factories across our network improve their performance through sharing of best practices.

Creating a network multiplier effect supported by Technology

We firmly believe that the whole is greater than the sum of its parts. Our regional businesses have been laser focused on driving local improvements and we want to generate a powerful multiplier effect by scaling these best practices. Over the past year, we have initiated the effort to identify good practices across stations and targeted key initiatives for global roll-out and adoption. By effectively implementing these best practices throughout our network, we will expedite improvements across the Group.

Our Americas team has launched a Lean Six Sigma Green Belt training program to equip their team with the necessary skills to independently analyse, identify and implement process improvement projects from within their own departments. This programme also enables cross-functional and cross-station collaboration by aligning processes and best practices across the Americas network and has improved employee engagement. We plan to take the learnings from the Americas programme and adapt the ongoing programmes in EMEAA and APAC to roll out a global OE training programme across our business divisions.

Another example of scaling best practice is the deployment of freight dimensioning technology such as ContourSpect. Following its successful trial in Copenhagen, which demonstrated the capability to enable our cargo stations to build Unit Load Devices (ULDs) more efficiently and to optimise cargo capacity and reduce climate impact, we have decided to extend this solution to other stations in EMEAA and APAC. Given the potential to automate dimension capture to eliminate time consuming manual measurements, we are also evaluating the feasibility of deploying similar technologies for upstream processes such as for cargo acceptance.



The Digital Station Manager (DSM) system at the SATS Integrated Operations Command (SIOC)

> Over the past year, we have developed global standard operating metrics for Health, Safety, Security and Environment (HSSE), Information Technology and Cargo Productivity. We are also in the process of rolling out other global standard metrics and dashboards across other functions including ground handling and food solutions.

Other best practice sharing initiatives include the workforce management system (Groundstar) that has been developed and implemented in Singapore. This system automates the planning, scheduling, optimisation and allocation of tasks, and plans are underway to roll out the system across the stations in the Americas region. Food processing and automation best practices developed in Singapore has also driven the design and build of our international kitchens in China, Thailand and in India.

Accelerating operational excellence with new solutions and AI

We are committed to actively identifying and capitalising on value-creation opportunities across our network. We will strategically collaborate with partners to develop specialised services and solutions that leverage our expanded network and investment in operational capabilities.

Notable is our recent MOU with Kuehne+Nagel to co-develop and implement innovative solutions for customers in APAC, EMEAA and Americas to drive improvements in value chains and sustainability within the air logistics industry. We have been able to work with Kuehne+Nagel to develop specialised and streamlined processes at SATS' airside facilities, to enable expedited handling of time-critical shipments as a customised product.

Moving forward, we are focused on developing 5 key specialised new solutions: (1) time-critical solutions for customisable expedited handling services, (2) freight-forwarding and eCommerce handling solutions for customisable services for logistics partners, (3) trucking solutions for pickup, airport transfer and cross-border use cases, (4) cold chain solutions to handle pharma and perishable products and (5) multi-modal solutions to facilitate seamless transition between air to sea, land, and vice versa. These expanded service offerings, once developed, will be made available to airlines, freight forwarders and integrators, eCommerce providers and ocean liners across our global network.

We believe that Artificial Intelligence (AI) will be key in positioning ourselves to be future-ready. We are making significant investments in AI to efficiently automate repetitive tasks, improve situational awareness, streamline workflows, and optimise processes. We have also embarked on building in-house capability in computer vision processing and AI-assisted decision making. Furthermore, we are progressively integrating Generative AI into our operations to adeptly handle unstructured data from various sources, adapt to new data for generating pertinent output, and confront uncertainty during disruptions.

Future-proofing the Singapore Hub

SATS continues to invest in building our operational capabilities to support the Singapore aviation hub community.

We have rigorously driven the digitalisation journey, progressively eliminating repetitive tasks through automation and connecting data across business units, channels and platforms. We are accelerating our investments in Artificial Intelligence (AI) and machine learning, and leveraging computer vision technology and telematics for our ground equipment to enable real-time operational visibility. We are also building optimisation and predictive engines within our planning and deployment tools to enhance the efficiency of our ground, passenger and cargo operations.

Harnessing SATS's in-house digital capability, we have embarked on a ground-breaking project to build the Digital Station Manager (DSM Live) system, which is a unified solution to enable the SATS Integrated Operations Command (SIOC) at Changi Airport to aggregate information from diverse internal and external systems and channels and make dynamic operational decisions. DSM Live will tap best in class technology and algorithms to reduce workloads and make recommendations to simplify decision making.

> We are committed to actively identifying and capitalising on value-creation opportunities across our network.

We are committed to foster close collaboration with the Singapore aviation community and industry-leading technology firms to drive operational excellence. Autonomous Ground Vehicle (AGV) operations are a prime example of collaboration between Changi stakeholders where SATS will play a key part in jointly operationalising and deploying critical automation for the future. We will continue to work in close collaboration with CAAS, CAG and SIA to enhance operational excellence and maintain Changi Airport's position as a leading air hub in the world.

Henry Low
Chief Operating Officer,
SATS
21 May 2024

SOLAR PANELS
AT WFS FACILITY,
BRUSSELS, BELGIUM

963MWh of renewable electricity generated will power 33% of the facility's total energy requirements

Setting a New Global Baseline

As we expand globally, we must consider the diverse perspectives of our stakeholders alongside feedback from our materiality assessments.

Sustainability

An electric airfield bus in action at Changi Airport

> Our expansion has not only broadened our reach but also our understanding of the diverse perspectives of our stakeholders. We actively engage with these groups, seeking to incorporate their viewpoints into our sustainability strategy.

SATS' purpose is to feed and connect communities. Our purpose drives our commitment to creating a positive influence on people and the environment. We are aware that as we expand globally, our responsibility to the environment and the community becomes increasingly important.

A refreshed framework

Our expansion has not only broadened our reach but also our understanding of the diverse perspectives of our stakeholders. We actively engage with these groups, seeking to incorporate their viewpoints into our sustainability strategy.

To ensure our sustainability framework remains robust and drives significant impact across our expanded global network, we have refreshed it based on feedback from SATS' and WFS' materiality assessments. This refreshed framework provides the blueprint for setting four distinct pathways for the future: decarbonisation, sustainable sourcing, waste and packaging, diversity and inclusion.

In our first year since WFS' consolidation SATS is establishing baselines to start tracking our progress, and measuring our environmental and social impacts.

Progress on environment

Our commitment to decarbonisation is evident in our transition to cleaner energy vehicles. This is not a simple task, but we are dedicated to it. We collaborate with various ecosystem partners, including airport authorities and vehicle manufacturers, to plan for airside charging infrastructure and conduct feasibility trials.

We began the transition to electric vehicles a few years ago, and the results are promising. Close to 40% of our forklifts globally are fully electric. In Singapore and Amsterdam, we have successfully converted all our forklifts to fully electric models. In the Americas, WFS has invested over US$7 million in the past year to electrify our fleet.

Our success has motivated us to consider using electric vehicles in more areas of our operations. For instance, SATS is the first ground handler in Singapore to introduce electric airfield buses at Changi Airport for transporting passengers to and from remote bays. We are also actively testing the potential of converting other vehicles, such as heavy-duty tractors, to electric power across our network.

We continue to install solar panels on the rooftops of our buildings to generate renewable electricity and switch to energy-saving LED lighting to lower carbon emissions. At our cargo terminal in Bengaluru, India, 40% of the station's electricity needs are met by solar power. In Japan, switching to using LED lights at our facilities in Narita, Haneda, and Shibayama is expected to lead to a 34% reduction in energy consumption.

We use packaging in our operations to ensure the highest standard of food safety and product quality, and we consistently choose lightweight materials to minimise our carbon footprint. However, regulations regarding aircraft cabin waste management may restrict our ability to use the most sustainable packaging. To effectively manage packaging waste, we have developed guidelines to ensure the use of packaging that is suitable for its intended purpose and designed for circularity.

Further, to minimise waste in our production kitchens, we have installed a waste treatment facility called WasteMaster at SATS Inflight Catering Centre 1. The one-tonne WasteMaster employs a proprietary mixed-ion reactive approach (M.I.R.A) technology to quickly break down organic waste into a high-quality residual substrate without the use of heat, water, additives, enzymes, microorganisms, or any elements, thereby consuming less utilities and resources. The on-site treatment offers the advantage of reducing waste volume by approximately 70%, consequently lowering the overall waste transportation requirements, the associated costs, and carbon footprint.

Progress on social

Diversity is a catalyst for fresh thinking and better outcomes. At SATS, we are actively shaping an inclusive culture that fully embraces diversity. Following WFS integration in April 2023, we successfully implemented a unified set of "People Values" organisation-wide, aligning with our core beliefs. The five values of safety, customer focus, respect, teamwork, and excellence are the cornerstones of our conduct. Notably, the "Respect" People Value is specifically designed to cultivate an environment where all individuals feel valued, heard, and empowered to succeed.

We are taking action to support our goal of creating a more inclusive workplace. Starting at the top, we have implemented a Board Diversity Policy which emphasises the importance of achieving a balance in skills, experience, gender, ethnicity, age, industry and geographical background, and professional qualifications. We believe that having a diversified Board will make more inclusive decisions that better reflect the needs of our stakeholders.

On International Women's Day, March 8, 2024, we launched the Network of Women initiative. This initiative aims to empower and encourage women to connect, share ideas, navigate challenges, and provide mentorship to one another.

The tasks we carry out on the tarmac, like ramp operations, are physically demanding and often performed under harsh weather conditions. These roles used to be mostly male-dominated, but that has changed, and we fully support the women in our workforce who break stereotypes by joining the men in ramp operations. We also actively support job placements for students with disabilities and other needs, demonstrating our belief in every individual's potential to make meaningful contributions to society. As a tangible expression of this commitment, we have pledged S$200,000 to Tampines Pathlight and will leverage our expertise to assist in developing their culinary curriculum and establishing their industrial training kitchen.

Progress on governance

From the tarmac to the boardroom, we take our responsibility seriously and have integrated sustainability into safety and risk management, creating a new governance structure for it.

We now have a Safety, Sustainability, and Risk Committee at the board level to ensure sustainability is integrated into all aspects of our business. A Safety, Sustainability, and Risk Management Committee at the executive level provides direction and supervision.

Additionally, the sustainability councils at the operational level have been restructured to ensure our four business units (Food Solutions, Gateway Asia, Gateway EMEA, and Gateway Americas) have the opportunity to share global best practices and develop specific sustainability initiatives.

We believe that sustainable sourcing is not only a moral imperative but also a strategic priority. By ensuring that the ingredients we use in our Food Solutions and the vehicles and materials we use for our Gateway Services are sourced sustainably, we actively contribute to the preservation of our planet and the well-being of communities worldwide.

Our commitment to engaging and assessing all strategic suppliers on environmental, ethical, and social considerations is a cornerstone of our corporate responsibility agenda. We started in 2023 with our Singapore-based food-related suppliers and developed a Sustainable Procurement Policy. As of 1 April 2023, all sourcing activities of food-related goods and services in Singapore incorporate sustainability as part of vendor selection criteria, encouraging our suppliers to incorporate ESG practices.

As SATS expands globally, we are exposed to more complex legal and regulatory risks. To address these challenges, we have adopted a zero-tolerance approach to bribery, corruption, fraud, and illegal or unethical behaviour. Our commitment to Anti-Bribery & Anti-Corruption (ABAC) is reflected in our comprehensive program, which applies to all entities managed, operated, or controlled by SATS globally. To further safeguard SATS Group's reputation and interests and enhance our ABAC Program, we have established a Charitable Donations, Sponsorships, and Political Contributions Policy. By implementing appropriate regulations and criteria, we ensure that charitable donations, sponsorships, and contributions align with our ABAC policies.

To ensure data quality for tracking our progress, we have set up an ESG data management and reporting platform to act as a central repository to track and verify our sustainability reporting process. Our ESG data management and reporting tool includes an in-built automated AI emissions calculator that assigns appropriate spend-based emission factors to purchase which is our most significant Scope 3 category.

Following the consolidation of SATS with WFS, we have broadened our cybersecurity scope to encompass the entire SATS Group worldwide, including our subsidiaries and stations in different regions. This expansion also entails consolidating existing cybersecurity teams from SATS and WFS into a unified global cybersecurity team.

Please refer to SATS Sustainability Report FY2023-24 for more information on our sustainability initiatives and progress.

Sustainability

Decarbonisation

AMBITION

Play our part in science-based efforts to reduce GHG emissions and limit global temperature rise to 1.5°C above pre-industrial levels, primarily through energy efficiency and appropriate use of renewable energy

TARGETS

- **Reduce our Scope 1 and 2 emissions by 50% by 2030:**
  - for Singapore operations from 2020 baseline
  - for overseas operations from 2024 baseline
- **Be carbon neutral by 2040**
- **Achieve Net Zero by 2050**

UN SDGs

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION

Sustainable Sourcing

AMBITION

Put in place a responsible and verifiable group supply chain, collaborating with suppliers to address environmental and social impacts and ensure resilience amid increased disruption risks

TARGETS

- **Perform ESG assessments of all strategic suppliers by 2025**
- **Actively increase the proportion of locally sourced food**, when possible, nearshoring otherwise, and seek for certified sustainably produced products as relevant (baseline and a quantifiable target will be established in the coming year)

UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Waste and Packaging

AMBITION

Minimise waste as much as possible across our operations and promote a more circular economy including the choice of packaging materials

TARGETS

- **Reduce food waste intensity by 50%**
  - in Singapore operations from 2021 baseline by 2028
  - in overseas operations from 2024 baseline by 2030
- **Ensure 100% of SATS packaging is either reusable or recyclable-ready by 2030**

UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Diversity and Inclusion

AMBITION

Recognise diversity and build inclusion by promoting a safe and respectful environment for a harmonious workplace

TARGETS

- **Achieve 35% of women in leadership roles within the organisation by 2030**
- **Build inclusion:**
  - Ensure all full-time employees are regularly engaged through the Employee Engagement Survey conducted globally
  - Roll out "Diversity and Inclusion in the workplace" training for all regions to strengthen awareness

UN SDGs

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

* Carbon neutrality refers to the reduction and balancing of 100% Scope 1 and 2 emissions across SATS operations.

** Net Zero means the comprehensive reduction and balancing of all greenhouse gas emissions across Scope 1, 2, and 3 across SATS operations.

Five-year Group Financial and Operational Summary

	FY2023-24	FY2022-23	FY2021-22	FY2020-21	FY2019-20
			(Restated)^	(Restated)^	(Restated)*^
Income Statement ($ million)					
Total revenue	**5,149.6**	1,758.3	1,176.8	970.0	1,941.2
Operating profit/(loss)	**244.2**	(48.0)	(42.6)	(10.1)	226.2
Share of results of associates/joint ventures, net of tax	**110.0**	45.4	17.1	(48.0)	11.8
Profit/(loss) after tax	**63.7**	(38.6)	4.3	(109.3)	175.6
Profit/(loss) attributable to owners of the Company	**56.4**	(26.5)	20.4	(78.9)	168.4
Statement of Financial Position ($ million)					
Equity holders' funds	**2,375.0**	2,333.6	1,602.6	1,546.3	1,617.5
Non-controlling interests	**184.5**	181.2	231.1	152.5	188.0
Total Equity	**2,559.5**	2,514.8	1,833.7	1,698.8	1,805.5
Property, plant and equipment	**796.4**	579.2	589.6	519.7	602.3
Investment properties	**0.0**	0.0	0.0	0.5	1.0
Other non-current assets	**5,733.9**	1,371.7	1,406.7	1,248.9	1,378.8
Current assets	**1,949.7**	2,722.8	1,296.0	1,322.7	1,028.4
Total assets	**8,480.0**	4,673.7	3,292.3	3,091.8	3,010.5
Non-current liabilities	**3,129.5**	1,552.5	828.0	827.7	643.7
Current liabilities	**2,791.0**	606.4	630.6	565.3	561.3
Total liabilities	**5,920.5**	2,158.9	1,458.6	1,393.0	1,205.0
Net Assets	**2,559.5**	2,514.8	1,833.7	1,698.8	1,805.5
Financial Ratios					
Return on equity (%)	**2.4**	(1.3)	1.3	(5.0)	10.3
Return on total assets (%)	**1.0**	(1.0)	0.1	(3.6)	6.5
Net margin (%)	**1.2**	(2.2)	0.4	(11.3)	9.0
Debt-equity ratio (times)	**1.60**	0.59	0.46	0.51	0.35
Productivity and Employee Data					
Value added ($ million)	**3,664.5**	898.8	584.4	350.9	1,113.1
Value added per employee ($)	**74,457**	57,280	51,512	27,041	64,885
Value added per $ staff cost (times) **	**1.34**	1.24	1.25	0.99	1.47
Revenue per employee ($)	**104,628**	112,057	103,725	74,749	113,157
Staff costs per employee ($) **	**55,461**	46,236	41,217	27,307	44,279
Average number of employees	**49,218**	15,691	11,345	12,977	17,155

* Certain items have been restated following the finalisation of PPA of the subsidiary acquired.
** Staff costs exclude cost of contract labour.
^ Earnings per share have been restated following the rights issue in March 2023.

	FY2023-24	FY2022-23	FY2021-22	FY2020-21	FY2019-20
			(Restated)^	(Restated)^	(Restated)*^
Per Share Data (cents)					
Earnings after tax					
- Basic	**3.8**	(2.2)	1.8	(6.7)	14.3
- Diluted	**3.8**	(2.2)	1.7	(6.6)	14.2
Net asset value per share	**159.3**	156.9	142.8	138.1	144.7
Dividends					
Interim dividend per share (cents)	**0.0**	0.0	0.0	0.0	6.0
Final dividend per share (cents)	**1.5**	0.0	0.0	0.0	0.0
Dividend cover (times)	**2.5**	0.0	0.0	0.0	2.5
Dividend payout (%)	**39.7**	0.0	0.0	0.0	39.8
Cash Flows ($ million)					
Cash flows from operations	**693.7**	101.9	96.3	159.4	304.6
Free cash flow before payment of lease liabilities	**326.5**	(39.8)	(15.6)	56.2	168.3
Free cash flow after payment of lease liabilities	**(48.2)**	(99.9)	(41.7)	27.1	151.2
Capital expenditure	**185.6**	119.4	77.9	61.5	75.6
Operating Statistics					
Cargo/mail processed (million tonnes)	**7.84**	2.24	1.68	1.15	1.79
Passengers handled (million)	**79.66**	52.64	10.42	4.12	84.62
Gross meals produced (million)	**96.34**	68.95	52.40	43.65	82.46
Flights handled (thousand)	**599.59**	230.37	95.54	55.12	351.44
Ship calls handled	**309**	254	254	96	258

Notes:
1 SATS' financial year is from 1 April to 31 March. Throughout this report, all financial figures are stated in Singapore Dollars, unless otherwise stated.
2 Return on equity is profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds.
3 Debt-equity ratio is total debt divided by total equity at 31 March.
4 Average number of employees refers to the number of full time equivalent employees over 12 months, including participants in the flexible-hour work scheme.
5 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.
6 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.
7 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.
8 Dividend cover is derived by dividing profit attributable to owners of the Company by total dividend (net of tax).
9 Dividend payout ratio is derived by dividing total dividend (net of tax) by profit attributable to owners of the Company.
10 Free cash flow before payment of lease liabilities comprises cash flows from operating activities less cash purchases of capital expenditure.
11 Operating statistics cover SATS and its subsidiaries, but does not include associates/joint ventures.
12 Passengers handled comprises full service and low cost carrier as well as cruise ship passengers.
13 Gross meals include both inflight and institutional catering meals.

Financial Review

Highlights

Group revenue for the year improved 192.9% to a record $5.1 billion over the same period last year, driven primarily by the consolidation of Worldwide Flight Services ("WFS"), improvements in air cargo volumes, and the continuing travel recovery that fuelled the growth in flights handled and meals catered for our Gateway Services and Food Solutions, respectively. Food Solutions revenue grew 27.4% to $1.1 billion while Gateway Services revenue grew 354.8% to $4.0 billion.

The Group achieved an operating profit of $244.2 million, an increase of $292.2 million compared to a loss of $48.0 million posted in the previous year.

The share of earnings from associates and joint ventures grew $64.6 million to $110.0 million, compared to $45.4 million in the last financial year. The stronger performance was attributed to improved performance from majority of the aviation associates and joint ventures.

The Group reported a net profit attributable to owners of the Company ("PATMI") of $56.4 million after taking into account higher interest expenses, an $82.9 million improvement from the $26.5 million loss recorded in the last financial year. The Group's performance was underpinned by the global aviation recovery, as well as increased market share and network synergies from its WFS acquisition.

Return on equity was 2.4% reversing from a negative 1.3% in the last financial year as the Group returned to profitability.

As at 31 March 2024, the Group's total assets were $8.5 billion. Non-current asset increased by $4.6 billion to $6.5 billion, attributed to intangible assets, right-of-use assets, investment in joint ventures, and property, plant and equipment from the acquisition of WFS. Current assets decreased by $773.1 million to $1.9 billion due to proceeds made to the seller of WFS upon completion of the WFS acquisition in April 2023. This was partially offset by higher trade and other receivables from aviation recovery and consolidation of WFS, as well as WFS' net cash acquired.

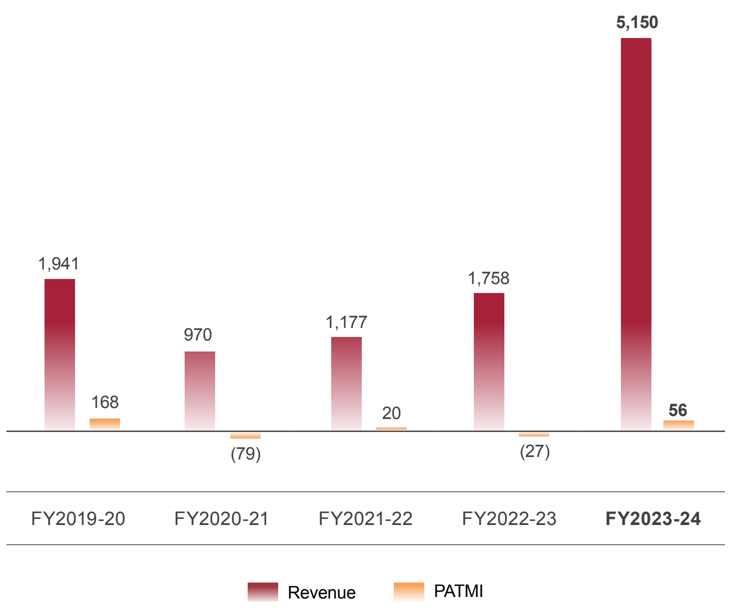
Operating cash flow for the year of $512.1 million was 6.4 times of $79.6 million recorded in the corresponding period last year, mainly due to higher earnings before interest, tax and depreciation and amortisation. Free cash flow after lease payments during the year was an outflow of $48.2 million, $51.7 million improvement from last year.

Gross debt-to-equity ratio increased to 1.6 times compared to 0.6 times in the previous year, due to higher borrowings.

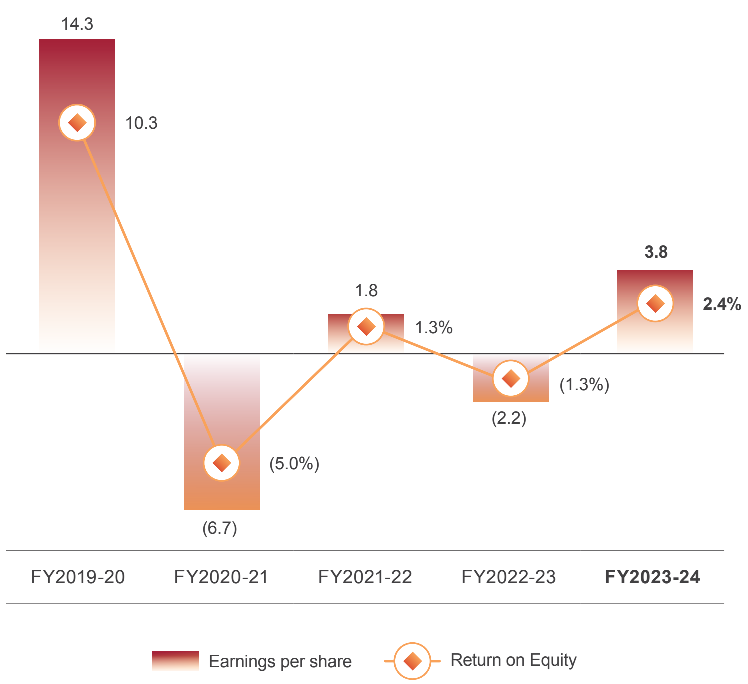
Earnings Per Share

In FY2023-24, the Group's earnings per share was 3.8 cents, an improvement from a negative 2.2 cents in the past financial year.

Revenue and Profitability ($M)



Earnings Per Share (cents) and Return on Equity (%)

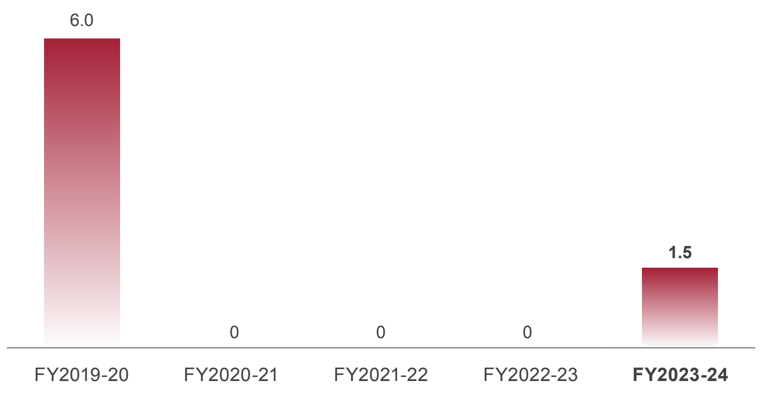


Dividends

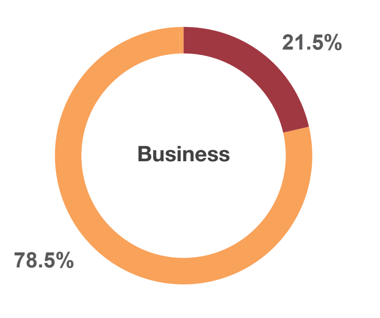
SATS is committed to paying dividends that grow progressively with earnings, which considers the company's cash flow generation capacity and level of cash and reserves; reinvestment and capital expenditure needs for sustainable growth; and debt repayments to strengthen its balance sheet.

In view of the Group's financial performance in FY2023-24, the Board of Directors has recommended a final dividend of 1.5 cents per share. This aligns with our commitment to shareholders that we will resume dividend payment once we restore profitability. The proposed final dividend will be tabled for shareholders' approval at the forthcoming Annual General Meeting on 19 July 2024 and if approved, will be paid on 8 August 2024.

Dividends Per Share (cents)



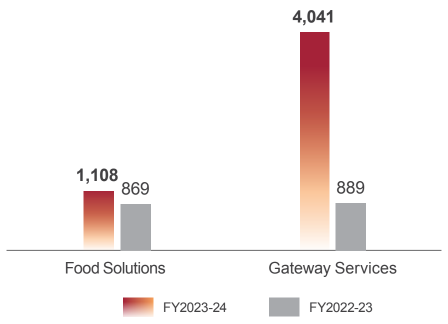
Consolidated Revenue – By Business, Industry and Geographical Location



FY2023-24

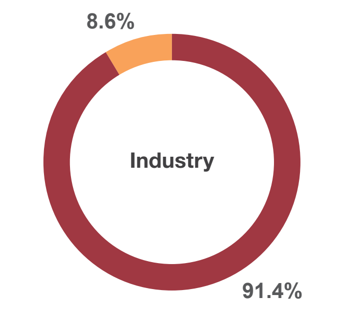
Food Solutions	21.5%
Gateway Services	78.5%

($M)



Notes:

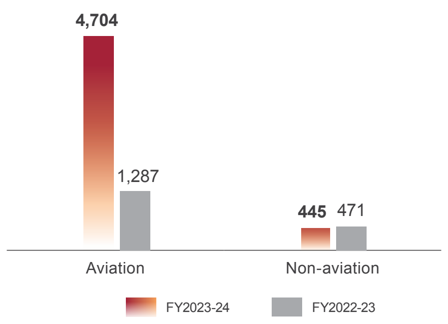
- Food Solutions: revenue from inflight and institutional catering, food processing, distribution and airline laundry services.
- Gateway Services: revenue from airport and cruise terminal services, and trucking services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers.



FY2023-24

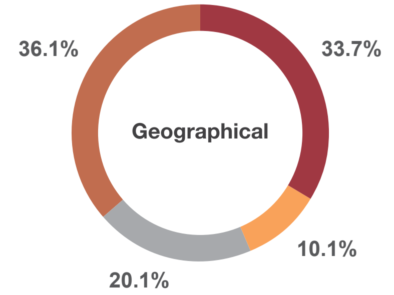
Aviation	91.4%
Non-Aviation	8.6%

($M)



Notes:

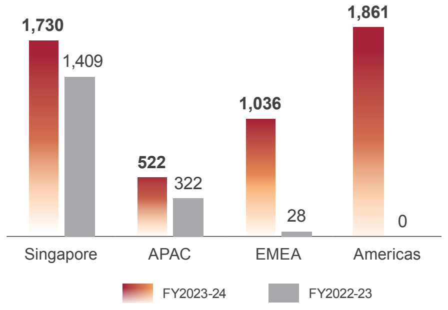
- Aviation: revenue from aviation-related businesses in Food Solutions and Gateway Services.
- Non-aviation: revenue from SATS Food Services Group, SATS-Creuers Cruise Services, SATS China Group and Corporate Services.



FY2023-24

Singapore	33.7%
APAC	10.1%
EMEA	20.1%
Americas	36.1%

($M)



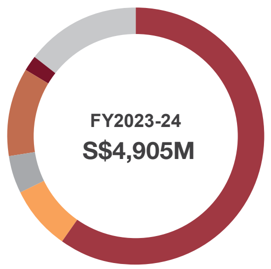
Notes:

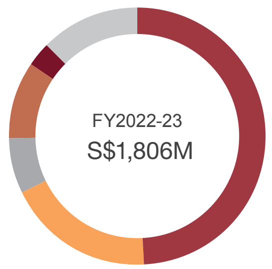
- Singapore: revenue from Food Solutions and Gateway Services businesses in Singapore.
- APAC: revenue from mainly Japan, Malaysia, China, Saudi Arabia, India and Thailand.
- EMEA: revenue from Gateway Services and Food Solutions in Europe, Middle East, and Africa.
- America: revenue from Gateway Services in North and South America.

Financial Review

Expenditure

The Group's operating expenditure of $4.9 billion was $3.1 billion higher year-on-year due to the consolidation of WFS, increased resources needed to handle higher volumes, inflationary pressures and cessation of government reliefs. Staff costs increased by $2.0 billion mainly due to increase in headcounts, higher contract labour expenses in support of passenger operations and meal production, and cessation of government reliefs. Raw materials, licence fees, company premise and utilities expenses grew in tandem with higher business volumes. Depreciation and amortisation increased $360.6 million mainly due to the consolidation of WFS. Other costs rose $484.1 million due to consolidation of WFS.





Staff costs	**59.9%**
Cost of raw materials	**7.9%**
Company premise and utilities	**4.9%**
Depreciation and amortisation	**10.9%**
Licence fees	**2.0%**
Other costs	**14.4%**

Staff costs	49.4%
Cost of raw materials	18.6%
Company premise and utilities	6.9%
Depreciation and amortisation	9.7%
Licence fees	3.1%
Other costs	12.3%

Financial Position

Total equity attributable to the owners of the Company improved 1.8% year-on-year to $2.4 billion as at 31 March 2024. Total equity of the Group increased $44.7 million year-on-year to $2.6 billion as at 31 March 2024. The higher equity was mainly attributed to the profit generated during the financial year.

Total assets increased $3.8 billion to $8.5 billion. Non-current assets increased $4.6 billion to $6.5 billion, attributed to intangible assets, right-of-use assets, investment in joint ventures, and property, plant and equipment from the acquisition of WFS.

Current assets of the Group decreased $773.1 million to $1.9 billion largely due to the transfer of purchase consideration to the seller of WFS upon completion of the WFS acquisition in April 2023. This was partially offset by higher trade and other receivables from aviation recovery and consolidation of WFS.

Capital expenditure of $200.0 million was 61.0% higher compared to last year. The Group's net asset value per share as at end of current financial year was 159.3 cents, 1.5% higher compared to last year.

Non-current liabilities of the Group increased $1.6 billion to $3.1 billion, mainly due to the addition of WFS' lease liabilities, and deferred tax liabilities upon consolidation of WFS.

Current liabilities of the Group increased $2.2 billion to $2.8 billion, mainly from the addition of WFS' lease liabilities and trade and other payables as well as €580 million bank loan due in November 2024.

The Group's cash and cash equivalents was $659.0 million as at 31 March 2024, an increase of $284.6 million attributed to net cash inflow from operating activities, partially offset by payment of lease liabilities.

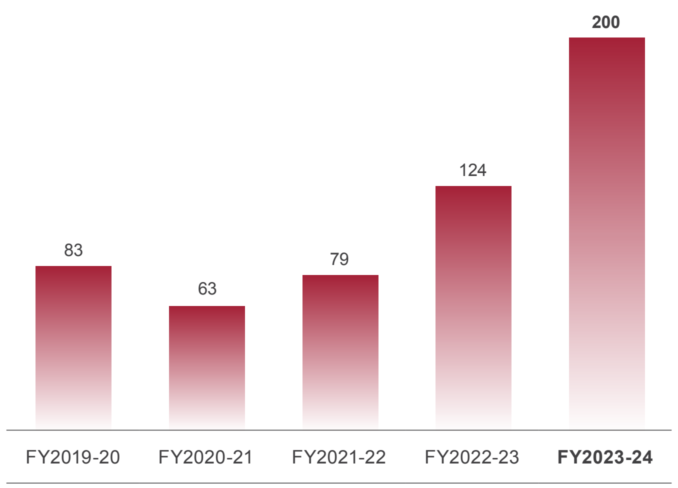
Net cash inflow from operating activities was $512.1 million, compared to $79.6 million recorded in the corresponding period last year, due to higher earnings before interest, tax and depreciation and amortisation.

Net cash inflow from investing activities was $68.0 million compared to an outflow of $1.8 billion last year. Current year net inflow was due to consolidation of cash from WFS, proceeds from disposal of subsidiary and higher dividends received from associates and joint ventures, partially offset by higher capital expenditure. In the previous year, the Group made a deposit with notary for the WFS acquisition that resulted in cash outflow of $1.8 billion.

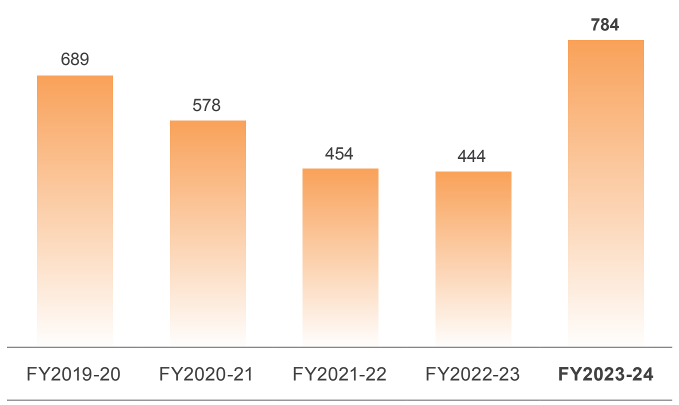
Net cash used in financing activities was $292.0 million outflow compared to a cash inflow of $1.3 billion last year due to higher lease repayments in the current year attributed to WFS consolidation. The net inflow in the last financial year were attributed to €500 million term loan and rights issue proceeds for WFS acquisition.

Free cash flow after lease payments for the year was an outflow of $48.2 million, $51.7 million improvement compared to last year.

Investment in Capital Expenditure ($M)



Carrying Value of Investment in Associates/ Joint Ventures ($M)



Financial Review

Value Added

The value added of the Group was $3.7 billion, an increase of $2.8 billion compared to the preceding financial year.
The distribution for FY2023-24 is reflected in the chart below.

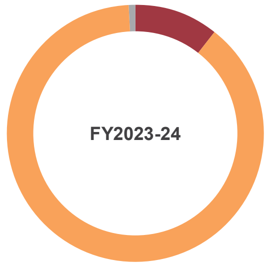
Value Added Statement ($ million)	FY2023-24	FY2022-23	FY2021-22	FY2020-21	FY2019-20
Total Revenue	**5,149.6**	1,758.3	1,176.8	970.0	1,941.2
Less: Purchase of goods and services	**1,639.2**	905.1	632.1	495.3	837.7
	3,510.4	853.2	544.7	474.7	1,103.5
Add/(less):					
Interest income	**21.4**	9.9	3.3	4.8	3.9
Share of profits before tax of associates/joint ventures	**130.8**	68.1	24.3	(56.9)	26.1
Gain/(Loss) on disposal of property, plant and equipment	**2.1**	12.3	0.2	0.0	(1.8)
(Provision for)/write-back of earn-out consideration	**(1.9)**	–	–	13.7	–
Reversal/(Impairment loss) on investment in associates	**0.4**	(1.7)	–	(68.8)	(11.9)
Impairment loss and write-off of property, plant and equipment (net of grants)	**(4.0)**	–	(17.0)	(16.6)	(6.8)
Acquisition cost of a subsidiary	**2.7**	(44.9)	–	–	–
Gain on deemed disposal of an associate	**–**	–	28.9	–	–
(Loss)/Gain on disposal of subsidiary/associate	**(1.0)**	1.9	–	–	–
Other non-operating income	**0.4**	–	–	–	0.1
Profit from discontinued operation (net of tax)	**3.2**	–	–	–	–
Total value added	**3,664.5**	898.8	584.4	350.9	1,113.1
Applied as follows:					
To employees					
- Salaries and other staff costs	**2,729.7**	725.5	467.6	354.4	759.6
To government					
- Corporate taxes *	**76.6**	17.5	(24.3)	(45.1)	52.7
To supplier of capital					
- Dividends	**–**	–	–	–	212.5
- Interest on borrowings	**258.1**	18.6	17.1	20.5	7.6
Retained for future capital requirements					
- Depreciation and amortisation	**536.4**	175.8	119.7	130.4	117.6
- Non-controlling interests	**7.3**	(12.1)	(16.1)	(30.4)	7.2
- Retained profits	**56.4**	(26.5)	20.4	(78.9)	(44.1)
Total value added	**3,664.5**	898.8	584.4	350.9	1,113.1
Value added per $ revenue (times)	**0.71**	0.51	0.50	0.36	0.57
Value added per $ staff cost (times) **	**1.34**	1.24	1.25	0.99	1.47
Value added per $ investment in fixed assets (times)	**1.16**	0.37	0.24	0.18	0.59

Note:
* Includes share of tax of associates/joint ventures.
** Staff costs exclude cost of contract labour.

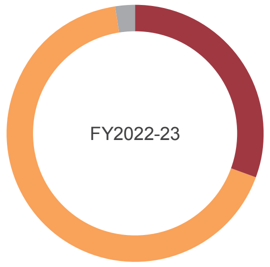
Staff Strength and Productivity

The average number of full-time equivalent employees in the Group for current financial year was 49,218. The 213.7% increase was due to the consolidation of WFS and increased resources to handle higher volumes across our regional network.

The breakdown of the average number of employees is set out as follows:



Food Solutions	5,304
Gateway Services	43,507
Others	407
Total	**49,218**



Food Solutions	4,800
Gateway Services	10,531
Others	360
Total	**15,691**

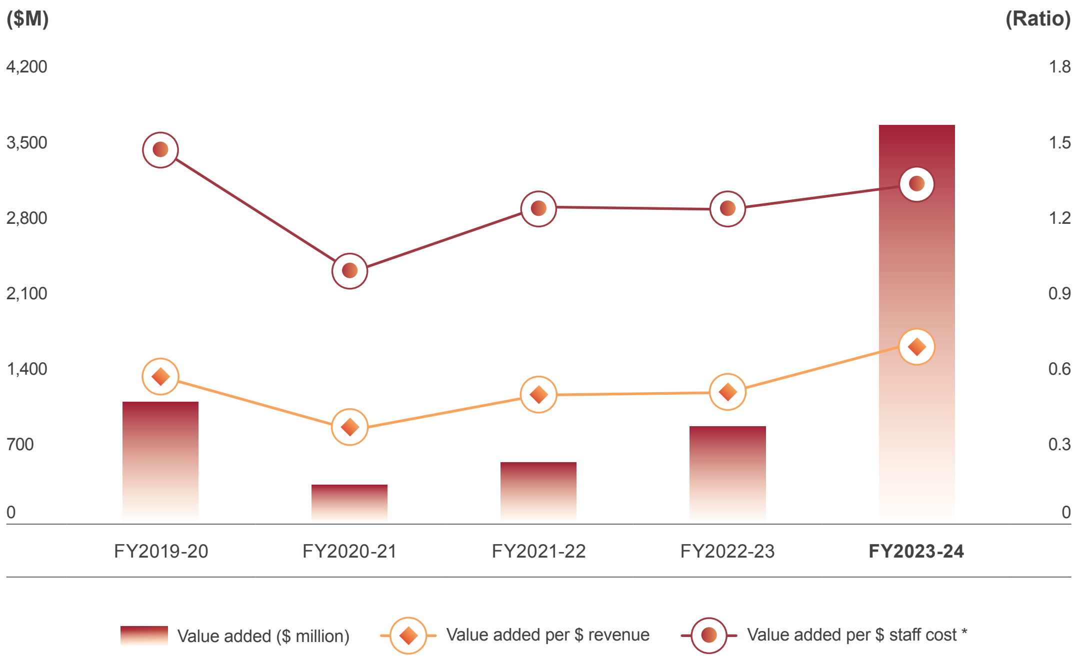
Staff productivity achieved during the year, measured by value added per employment cost was 1.34 times.

Productivity Analysis	FY2023-24	FY2022-23	FY2021-22	FY2020-21	FY2019-20
Value added ($ million)	**3,664.5**	898.8	584.4	350.9	1,113.1
Value added per employee ($)	**74,457**	57,280	51,512	27,041	64,885
Value added per $ staff cost (times) **	**1.34**	1.24	1.25	0.99	1.47
Revenue per employee ($)	**104,628**	112,057	103,725	74,749	113,157
Staff costs per employee ($) **	**55,461**	46,236	41,217	27,307	44,279

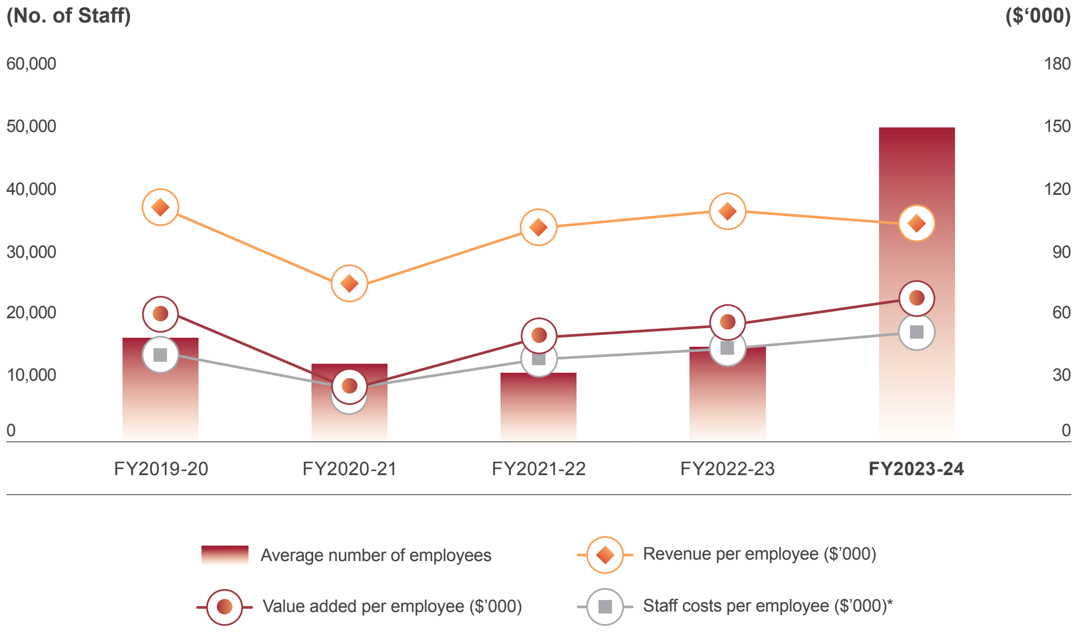
Note:
** Staff costs exclude cost of contract labour.

Financial Review

Group Value Added Productivity Ratios



Group Staff Strength and Productivity



Note:

* Staff costs exclude cost of contract labour.

Financial Calendar

Financial year ended **31 March 2024**

2023

22 JUNE
- Published Notice of Annual General Meeting to shareholders on SGXNet and the Company's website

6 JULY
- Digital Annual Report went live

21 JULY
- 50th Annual General Meeting was convened

15 AUGUST
- Announcement of 1Q FY2023-24 business update
- Business update conference call with live webcast

10 NOVEMBER
- Announcement of 1H FY2023-24 results
- Business update conference call with live webcast

2024

29 FEBRUARY
- Announcement of 3Q FY2023-24 business update
- Business update conference call with live webcast

Financial year ending **31 March 2025**

2024

29 MAY
- Announcement of 2H and Full-year FY2023-24 results

30 MAY
- Business and extended strategy update conference call with live webcast

20 JUNE
- Published Notice of Annual General Meeting to shareholders on SGXNet and the Company's website

4 JULY
- Digital Annual Report went live

19 JULY
- 51st Annual General meeting

26 JULY
- Book closure date

8 AUGUST
- Proposed payment of final dividend

AUGUST
- Proposed announcement of 1Q FY2024-25 business update

NOVEMBER
- Proposed announcement of 1H FY2024-25 results
- Proposed Capital Markets Day for investors and analysts

2025

FEBRUARY
- Proposed announcement of 3Q FY2024-25 business update

Financial year ending **31 March 2026**

MAY
- Proposed announcement of 2H and Full-year FY2024-25 results

Corporate Governance Report

SATS is committed to high standards of corporate governance which serve as a cornerstone for ethical conduct, sustainable corporate performance, operating competitiveness and accountability. Our corporate governance framework is built on principles that reflect our emphasis on strong and accountable leadership, effective internal controls and risk management, a responsible and transparent corporate culture and accountability to our shareholders and stakeholders.

We are pleased to report that for the financial year ended 31 March 2024 (FY2023-24), we have complied with the core principles of corporate governance set out in the Singapore Code of Corporate Governance 2018 (the Code) and also, in all material respects, with the provisions set out in the Code. Where there are any deviations from the provisions of the Code, we have provided appropriate explanations.

We are proud to have won the Singapore Corporate Governance Award (Diversity Category) at the SIAS Investors' Choice Awards 2023, which underscores our commitment to diversity and excellence in corporate governance.

Board of Directors

Key features of our Board:

- Separation of the role of Chairman, and President and Chief Executive Officer (PCEO)
- Thirteen out of our fourteen Directors are independent non-executive Directors
- Six out of our fourteen Directors are female

Role of the Board

The Board provides entrepreneurial leadership, and is responsible for overseeing the business, financial performance and affairs of the Group. The Board's key functions include:

- Setting the overall business strategies, directions and long-term goals of the Group (which include appropriate focus on growth, value creation, innovation and sustainability) to be implemented by Management*, and ensuring that adequate resources including financial and human resources are available
- Setting the values and standards (including ethical standards) of the Group and appropriate tone-from-the-top and desired organisational culture, ensuring that the Group's policies and practices are consistent with the culture, and that there is proper accountability within the Group
- Providing sound leadership and guidance to, and constructively challenging, the PCEO and Management
- Monitoring the performance of the PCEO and Management
- Engaging with and providing guidance to the PCEO and Management in the event of unforeseen and/or challenging macro-economic situations
- Evaluating and approving important matters such as major investments or divestments, funding needs and expenditure
- Having overall responsibility for the corporate governance, strategy, risk management and financial performance of the Group, including the processes of evaluating the adequacy of internal controls, risk management systems, financial reporting and compliance (including legal, tax and regulatory compliance)
- Ensuring policies, structures and mechanisms are in place to comply with legislative and regulatory requirements
- Ensuring effective communication with, and transparency and accountability to, key stakeholder groups
- Protecting and enhancing the reputation of the Group
- Considering sustainability issues as part of the Group's strategy
- Setting the Board diversity policy (including qualitative and quantitative objectives, where appropriate)

The Board has adopted a set of guidelines on matters that require its approval, which include matters of strategic importance, corporate governance practices, legal and regulatory compliance, risk management, maintenance of performance standards, corporate culture, reputation and ethical standards, corporate strategy, approval of business plans, review of results, approval and monitoring of major investments and strategic commitments, operating and capital expenditure budgets, and all matters which the Board is responsible for, or which the Board has delegated to committees, under relevant laws and regulations. These guidelines are communicated to Management in writing.

* *For clarity, references to "Management" in this Corporate Governance Report include members of the SATS Group Management Board (GMB) and the SATS Group Management Members*

The Board also engages and works with Management in the development and execution of strategies, stakeholder engagement, as well as a wide range of matters in the areas of business, strategy, operational issues, governance and risk management. Management can tap on the unique and individual expertise and industry experience of each Director which facilitates focused interactions and discussions between such Directors and Management in the execution of the Company's strategy. There is a written Financial and Operating Approval Authority Matrix as well as a Delegation of Authority Matrix for WFS which set out the approval limits (based on established financial thresholds) of the Board, the Executive Committee, Management and senior members of the Worldwide Flight Services group of companies (WFS) for investments, purchases, disposals, selection of vendors, write-offs, etc.

Board Code of Conduct

All Directors aim to objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of SATS and ensure proper accountability within the Company. They understand SATS' business as well as their duties as a director (including their roles as executive, non-executive and independent directors). The Board has adopted a Code of Conduct as a means to guide the Directors on the areas of ethical risk, and help nurture an environment where integrity and accountability are key attributes.

Our Board Code of Conduct includes the following key principles:

- Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of SATS
- Directors must immediately declare conflicts of interest in relation to any matter and recuse themselves from participating in any discussion and/or decision on the matter, and are expected to take necessary mitigating steps (if appropriate) to avoid the conflict
- Directors should consult the Chairman of the Board and the Chairman of the Nominating Committee before accepting any appointments to the board of directors of another public or private company
- Directors are to exercise due care and maintain the confidentiality of information entrusted to them by SATS or other parties who have business dealings with SATS
- Directors must carry out their responsibilities in compliance with SATS guidelines and policies, and applicable laws, rules and regulations
- Directors must not trade in the securities of SATS if, at the relevant time, they are in possession of non-public materially price-sensitive or trade-sensitive information

Also in place is a detailed Policy on Disclosure of Interests in Transactions by Directors which supplements the Board Code of Conduct. This policy sets out the legal obligations in respect of the disclosure requirements for conflicts under the Companies Act 1967 (Companies Act), and the procedure and best practice recommendations for making such disclosures. The Company also does not extend loans to its Directors.

Board Composition

We have fourteen Directors on our Board, thirteen of whom (including the Chairman) are independent non-executive Directors (IDs). The PCEO is the only non-independent executive Director.

Under the Code, non-executive Directors should make up a majority of the Board whereas independent Directors should make up at least one-third of the Board. Our Chairman and Chairman-Designate are independent and as there is a majority of independent and non-executive Directors on our Board, the requirements of the Code are well met.

We have not appointed a lead independent Director as our Chairman is not conflicted and is independent. The Chairman and the PCEO are not related to each other.

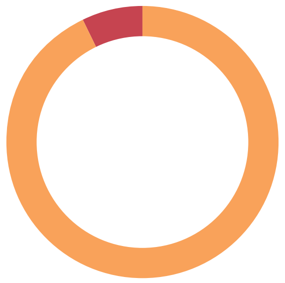
Our Directors are business leaders and professionals with financial, banking, sales and marketing, branding, consumer business, logistics and supply chain, digital sector, data technology and products, human resource, risk management, operational, technology, legal, venture capital investing, mergers and acquisitions, compliance and accounting backgrounds. The Directors also have broad experience in jurisdictions outside Singapore. We believe that the size and composition of the Board are currently appropriate given the size and geographic spread of our operations.

There is a process of refreshing the Board progressively over time which enables the Board to draw upon the experience of longer-serving Directors while at the same time tapping into fresh external perspectives and insights from more recent appointees.

Mr Pier Luigi Sigismondi and Mr Mak Swee Wah were appointed as independent non-executive Directors on 5 September 2023 and 11 September 2023, respectively. Mr Sigismondi has extensive experience in the food and beverage industry and Mr Mak has extensive experience in the aviation industry. Ms Chan Lai Fung joined the Board on 28 February 2024 as an independent non-executive Director, bringing extensive experience in finance, education and national research, particularly in the areas of talent development and innovation. Mr Irving Tan joined the Board on 16 May 2024 as an independent non-executive Director and Chairman-designate, with tenured experience in sales and global operations, market transitions and customer and government dynamics. Their diverse skill sets and capabilities will enhance the existing competencies of the Board.

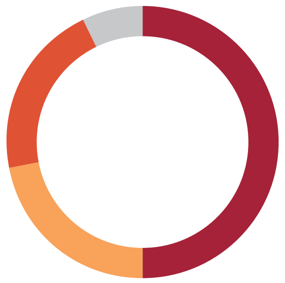
Corporate Governance Report

Independence



●	Independent Non-Executive Director	93%
●	Executive Director/PCEO	7%

Length of Service



●	0 - 3 years	50%
●	3 - 6 years	22%
●	6 - 9 years	21%
●	9 - 11 years	7%

Ms Euleen Goh, who has served for more than 10 years as an independent non-executive Director and more than seven years as the Chairman, will be retiring by rotation at the forthcoming Annual General Meeting (2024 AGM) and has notified the Company that she will not be seeking re-election. She will therefore cease to be a Director and the Chairman at the conclusion of the 2024 AGM, following which Mr Irving Tan, the current Chairman-designate, will take over as Chairman. Ms Goh will be appointed as Advisor to the Chairman following the conclusion of the 2024 AGM.

Ms Jenny Lee, who has served for five years, will step down as an independent non-executive Director at the conclusion of the 2024 AGM. In addition, Dr Detlef Trefzger, who has served for one year, will step down as independent non-executive Director at the conclusion of the 2024 AGM and consequently, cease to be the Chairman and a member of the Safety, Sustainability and Risk Committee.

Board Diversity Policy, Targets, Timelines and Progress

We are committed to building an open, inclusive and collaborative culture and recognise the benefits of having a Board and Board Committees with diverse backgrounds and experience. We have adopted a Board Diversity Policy which focuses on the importance of an appropriate balance of skills, experience, gender, ethnicity, age, industry and geographical background and experience and professional qualifications in building an effective Board with the ability to guide and support us in achieving our strategic objectives and for sustainable growth and development. Such diversity will help to avoid groupthink, whilst at the same time allow the Board to better identify potential risks, foster constructive debate, raise challenging questions, and contribute to problem-solving.

Under our Board Diversity Policy, the Nominating Committee will, in reviewing the Board's composition, rotation and retirement of Directors and succession planning, consider aspects such as professional qualifications, industry and geographic knowledge, experience, skills, length of service and the needs of the Company. In particular, we consider gender to be an important aspect of diversity and strive to ensure that there is adequate gender mix on the Board; our Board Diversity Policy has been updated to introduce measurable targets to achieve diversity on the Board – our progress made on achieving these targets is further elaborated on below. All Board appointments will be based on merit, and will be considered against objective criteria and having due regard for the benefits of diversity on the Board, our needs and our core values.

The current make-up of our Board reflects our commitment to Board diversity in terms of gender, ethnicity, skills and experience and geographical background and experience. The Nominating Committee will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

New Appointments

In FY2023-24, the Board made progress in achieving various aspects of diversity with the appointment of the following three new Directors:

- Mr Pier Luigi Sigismondi was appointed as an independent non-executive Director on 5 September 2023. He was the Executive Chairman of Sustenir Group Pte. Ltd. (Sustenir), a vertical farming start-up located in Singapore, until his recent resignation with effect from 23 May 2024. Prior to that, he was President and Executive Vice President of Dole Sunshine Company, where he drove a purpose-led transformation for over four years. Mr Sigismondi is based in Singapore and contributes to Board diversity in terms of ethnicity, age, geographical background, experience and skills, particularly in the food and beverage industry.
- Mr Mak Swee Wah was appointed as an independent non-executive Director on 11 September 2023. He was the Executive Vice President Operations and Chief Operations Officer of Singapore Airlines Limited (SIA) where he was responsible for SIA's Cabin Crew, Customer Services and Operations, Engineering and Flight Operations divisions. Prior to that, Mr Mak held various senior management positions in the marketing, planning and operational areas in SIA. He was also a non-executive director of SIA Engineering Company Limited (SIAEC). Mr Mak contributes to Board diversity in terms of geographical background and experience and skills in the aviation industry.
- Ms Chan Lai Fung was appointed as an independent non-executive Director on 28 February 2024. She is currently Deputy Chairman of NTUC Health. She had served in various appointments across several government ministries and agencies since 1987 before she retired from the Singapore Public Service in October 2023. Ms Chan contributes to Board diversity in terms of gender, geographical background, experience and skills in finance, education and national research, particularly in talent development and innovation.

In addition to the above new appointments in FY2023-24, Mr Irving Tan was appointed as an independent non-executive Director and Chairman-designate on 16 May 2024. He is currently Executive Vice President, Global Operations, at Western Digital and contributes to Board diversity in terms of geographical background, leadership experience and skills in sales and global operations, particularly in manufacturing, procurement and supply chain, and technology.

Board Diversity Targets, Timelines and Progress

The Company's diversity targets for the Board (which are broadly categorised into "Skills and Experience", "Geographical Background and Experience", "Gender" and "Ethnicity"), its plans and timelines for achieving the targets, and its progress towards achieving the targets, are described below.

Skills and Experience

Areas of Diversity, Targets and Timelines

We aim to have Directors who, as a group, comprise individuals with an appropriate combination of qualifications and competencies, including skillsets and/or experience in at least a majority of the identified core competencies of accounting, finance, legal, supply chain management and logistics (including in the food and associated supply chain sectors), branding, business and management experience (including human capital development and management).

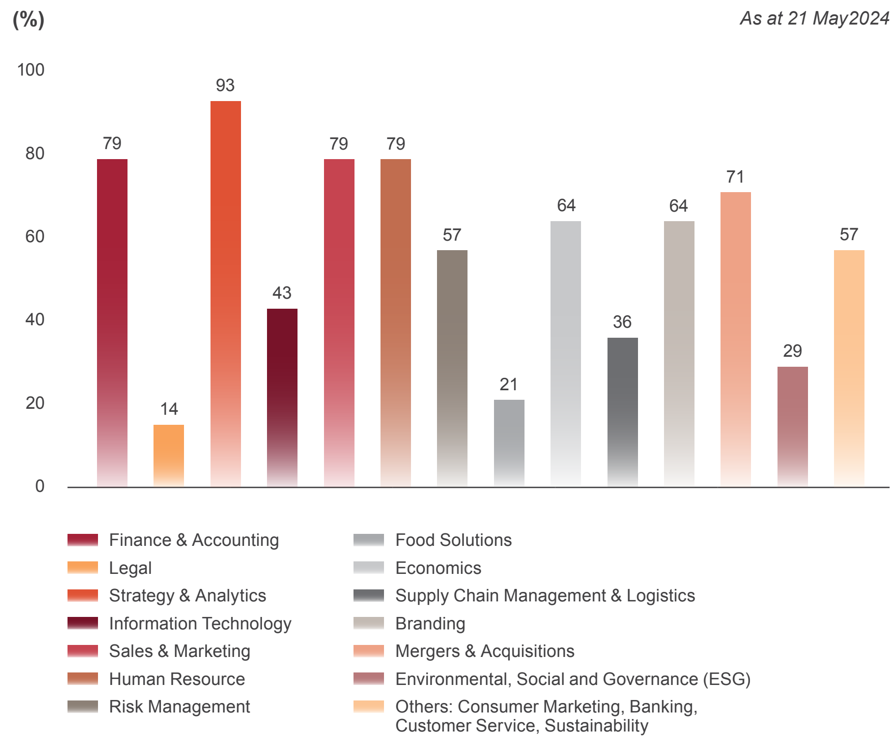
The Company's target is to maintain this level of diversity in skills and experience in the period leading up to 31 March 2026.

The Company believes that diversity in skills and experience would support the work of the Board and Board Committees and needs of the Company, and would also help shape the Company's strategic objectives and provide effective guidance and oversight of Management and the Company's operations.

By adding Directors with cargo, supply chain and logistics experience to our Board following the completion of the acquisition of Worldwide Flight Services, we strive to enhance and strengthen our capabilities in the realm of cargo and supply chain management.

Targets Achieved/Progress Towards Achieving Targets

ACHIEVED – The current Board comprises Directors who collectively have an appropriate combination of qualifications and competencies – in particular, the Board possesses a majority of the identified core skillsets and experience as illustrated below.



As disclosed above, the appointments of Mr Pier Luigi Sigismondi, Mr Mak Swee Wah, Ms Chan Lai Fung and Mr Irving Tan on 5 September 2023, 11 September 2023, 28 February 2024 and 16 May 2024 respectively, have further enhanced the Board's diversity in skills and experience, especially in the areas of food and beverage, aviation, talent development, innovation, manufacturing, procurement and supply chain, and technology.

Corporate Governance Report

Geographical Background and Experience

Areas of Diversity, Targets and Timelines

We aim to ensure that our Directors, as a group, represent geographically diverse backgrounds and experiences, which can effectively navigate challenges and opportunities, especially in the European and United States of America (US) markets, in light of the acquisition of WFS.

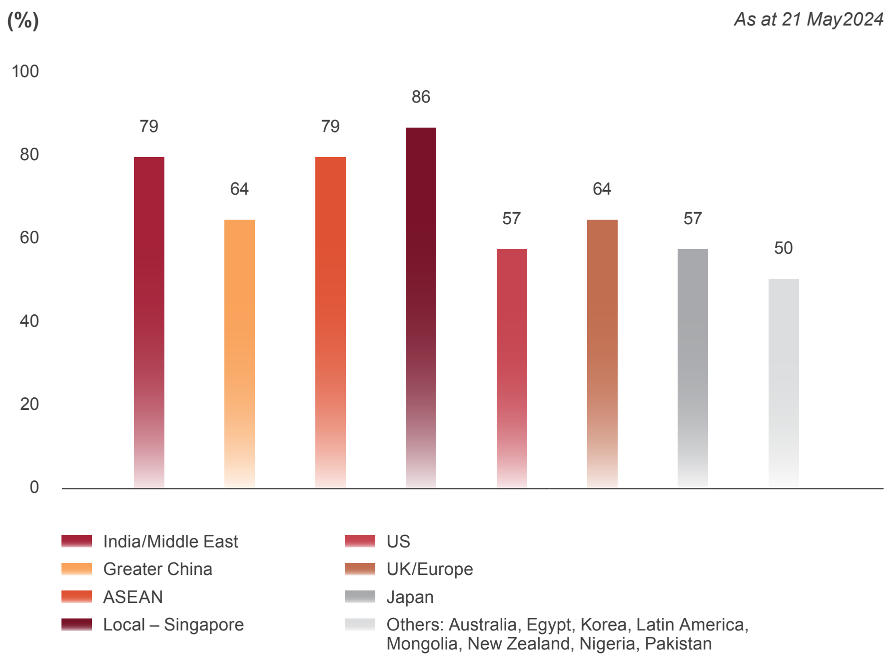
The Company's target is to maintain this level of diversity in geographical backgrounds and experience in the period leading up to 31 March 2026.

The Company believes that diversity in geographical backgrounds and experience would provide a broad spectrum of perspectives in Board and Board Committee deliberations, enabling the Company to effectively navigate the challenges and opportunities in the markets in which the Group operates.

We continue to search for Directors with a deep understanding of the European and US markets.

Targets Achieved/Progress Towards Achieving Targets

ACHIEVED – The current Board, as a group, consists of Directors with varied geographical backgrounds and experience globally, including the Association of South East Asian Nations (ASEAN) region, the Middle East, Japan, US, the European Union, United Kingdom (UK), Greater China and India as illustrated below.



As disclosed above, the appointments of Mr Pier Luigi Sigismondi, Mr Mak Swee Wah, Ms Chan Lai Fung and Mr Irving Tan on 5 September 2023, 11 September 2023, 28 February 2024 and 16 May 2024 respectively, have further enhanced the Board's diversity in geographical background and experience – in particular, Mr Sigismondi has experience in India, Middle East, Greater China, Japan, ASEAN, Singapore, US and UK/Europe; Mr Mak has experience in India, Singapore and Australia; Ms Chan has experience in China, ASEAN, Singapore and Europe; and Mr Tan has experience in US, Greater China, Asia-Pacific, Japan, and Singapore.

Gender

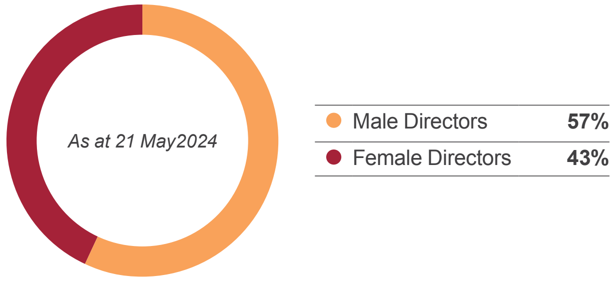
Areas of Diversity, Targets and Timelines

Our Board Diversity Policy has a formalised target of at least 35% female representation on the Board. The Company's target is to maintain this level of gender diversity in the period leading up to 31 March 2026.

The Company believes that ensuring an optimum balance of gender representation on the Board would benefit the Company by giving it access to a broader talent pool as well as to ensure that perspectives and experiences are broad and diverse, so as to facilitate strategic thinking and problem solving.

Targets Achieved/Progress Towards Achieving Targets

ACHIEVED – Currently, 6 out of 14 Directors (43% of the Board) are female as illustrated below.



The appointment of Ms Chan Lai Fung on 28 February 2024 further contributed to Board diversity in terms of gender.

Ethnicity

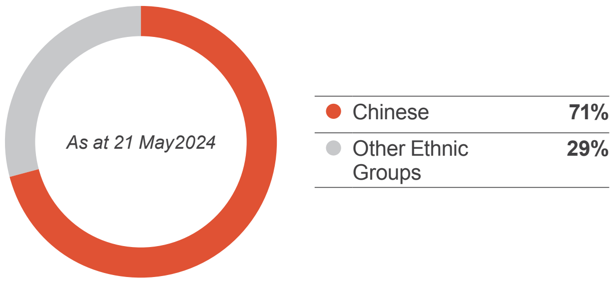
Areas of Diversity, Targets and Timelines

We aim to bring together Directors with varied backgrounds, cultural insights and experiences. In particular, we aim for the Board to be represented by a diverse mix of ethnic cultures, and to maintain this level of ethnic diversity in the period leading up to 31 March 2026.

The Company believes that an ethnically diverse Board would benefit Board and Board Committee deliberations, and allow the Board to better understand SATS' businesses and customers in different markets.

Targets Achieved/Progress Towards Achieving Targets

ACHIEVED – Currently, the Board comprises Directors who are from different ethnic groups – 10 out of 14 Directors (71% of the Board) are Chinese and the balance 4 Directors (29% of the Board) belong to other ethnic groups (i.e., Indian and European) as illustrated below.



The appointment of Mr Pier Luigi Sigismondi on 5 September 2023 further contributed to Board diversity in terms of ethnicity.

Corporate Governance Report

We are committed to implementing the Board Diversity Policy, and any updates to implementation of this policy will be disclosed in future Corporate Governance Reports, as appropriate.

The Board, taking into account the views of the Nominating Committee, considers that diversity of the Board in terms of, *inter alia*, skills and experience, geographical background and experience, gender and ethnicity, will contribute to the quality of its decision-making process and serve the needs and plans of the Group. Further details on the Directors can be found in the "Board of Directors" section of this Annual Report.

Role of the Chairman and the PCEO

The roles of our Chairman (Ms Euleen Goh) and PCEO (Mr Kerry Mok) are clearly separated to ensure that there are appropriate checks and balances, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the PCEO operate in a culture of trust and respect, collaborating on the development and communication of strategies and performance monitoring. The Chairman and the PCEO are not related to each other.

Mr Irving Tan, who was appointed on 16 May 2024 as an independent non-executive Director and Chairman-designate, will succeed Ms Euleen Goh as Chairman with effect from the conclusion of the 2024 AGM. Mr Tan and the PCEO are not related to each other.

The responsibilities of the Chairman and the PCEO are clearly established and documented in writing in formal Role Statements, which have been adopted by the Board. The Chairman provides support and advice to the PCEO while at the same time respecting executive responsibility. The PCEO seeks support and advice from the Chairman while at the same time respecting the independence of the Chairman.

The Chairman leads the Board and acts independently of Management. The Chairman's primary role is to provide leadership to the Board and the Board Committees and to monitor the translation of the Board's decisions into executive action. In particular, the Chairman is responsible for the following:

Leadership, Strategy and Culture

- Leading the Board and upholding the highest standards of integrity and probity
- Ensuring that the Board plays a full and constructive part in the development and determination of our strategy, overall objectives and sustenance and growth of our business, and promoting a culture of openness and debate
- Enhancing our standing as an organisation in local and global markets
- Ensuring an appropriate balance between the interests of our shareholders and other stakeholders such as employees, regulators, creditors and customers
- Promoting high standards of corporate governance
- Engaging with and providing guidance to the PCEO and Management in the event of unforeseen and/or challenging macro-economic situations (e.g., the COVID-19 pandemic)

Board Matters

- Ensuring that the Board is properly organised, functions effectively and meets its obligations and responsibilities, including ensuring the Directors receive accurate, timely and clear information
- Setting the agenda for Board meetings and conducting effective Board meetings
- Ensuring effective liaison and communication and encouraging constructive relations within the Board and between Board and Management, in particular, between the Board and the PCEO
- Ensuring that the Directors have enough time and information to engage Management and to discuss various matters, and to facilitate the effective contribution of all the Directors
- Ensuring the responsibilities of the Board are well understood by both the Board and Management and the boundaries between the Board and Management are clearly understood and respected
- Ensuring that new Directors participate in a tailored orientation programme and that Directors are able to continually update their skills and knowledge
- Ensuring that the performance of the Board and each Director is evaluated at least once a year

Relationship with Shareholders, Regulators and Key Customers

- Ensuring effective communication with shareholders and other stakeholders
- Representing the Board at official functions and meetings with stakeholders
- Communicating the views of our shareholders to the Board
- Promoting our interests when engaging with the regulators and key customers

The PCEO, assisted by senior members of Management, makes strategic proposals to the Board and after robust and constructive Board discussions, executes the agreed strategy, manages and develops the Group's businesses and implements the Board's decisions. The PCEO also communicates on behalf of the Company to different stakeholder groups such as shareholders, employees, government authorities and regulators, business partners, customers and the public.

Board Meetings and Activities

The Board meets regularly and our Directors attend and actively participate in Board and Board Committee meetings. To facilitate meaningful participation, our Board and Board Committee meetings are planned and scheduled in advance. In addition, *ad hoc* Board meetings are convened if and when there are pressing matters requiring the Board's deliberation and decision between scheduled meetings. Board approvals for more routine matters may sometimes be obtained by the circulation of written resolutions, outside of Board meetings.

Board Meetings

- The agenda for Board meetings is decided by the Chairman in consultation with the PCEO, with sufficient time provisioned for key and material topics
- Matters requiring decision and approval and matters which are for the Board's information is clearly set out in a detailed agenda
- To uphold appropriate corporate governance standards, key matters requiring Board approval are typically reserved for resolution at Board meetings rather than by written circulation to facilitate deeper discussions amongst Board members and Management and a more informed decision-making process
- As far as possible, all relevant information, papers and materials are made available to the Directors at least a week prior to the meeting; this would enable Directors who are unable to attend a meeting to provide inputs and raise queries on the agenda items
- Board papers are detailed and give the background, explanatory information, justification, risks and mitigation measures for each agenda item and mandate sought by Management, including, where applicable, relevant budgets, business plans, forecasts and projections and, in respect of budgets, any material variance between the projections and actual results are disclosed and explained
- Directors can ask for additional information as needed to make informed decisions
- All materials for Board and Board Committee meetings are uploaded onto a secure online portal which can be readily accessed on tablet devices provided to Directors
- A separate resource folder in the online portal contains the terms of reference of all Board Committees and all operating policies of the Group for the Directors' reference
- The Chairman encourages openness and debate at Board meetings and Directors participate actively in Board discussions and share their insights on issues and matters tabled
- Under the Company's Constitution, the quorum for Board meetings is two and Board resolutions are passed by simple majority
- The Company Secretary attends all Board meetings and minutes the proceedings
- The Company Secretary and members of the GMB are usually invited and are present at meetings of the Board and the Executive Committee
- Where necessary and/or expedient, the Board and Board Committees may invite any other member of Management or external advisors for specific projects to be present at their meetings
- External professionals may also be invited to present updates on corporate governance, legal, tax and/or accounting matters, listing rules and other relevant topics
- If a Director is unable to attend a meeting in person, he/she can participate by telephone or video conference as this is permitted under the Company's Constitution
- Minutes of meetings are prepared and circulated to the Directors, as far as practicable, within two weeks of the relevant meeting, and are archived in a separate folder in the secure online portal for easy access by the Directors

Strategy and Other Meetings

- Since 2003, the Board conducts annual Board Strategy meetings for focused discussions on key strategic issues
- Board members lend their experience and expertise by being part of and contributing to strategy discussions which may be country or business specific outside of formal Board and Board Committee meetings
- Board members (led by the Chairman or other independent Directors as appropriate) also meet regularly with and without the presence of Management and review and monitor the performance of Management in meeting the goals and objectives set for them, and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate
- Where appropriate, Board members are included in strategy discussions ahead of the Board Strategy Meeting to help formulate the strategies that will be presented at the meeting
- Board members provide guidance to Management in specific business areas or geographies where they have significant experience or expertise

Corporate Governance Report

Access to Information

- Board members receive information papers on material matters and issues being dealt with by Management, monthly financial reports covering operating statistics, Group operating expenses, geographical and industry performance, performance of each business segment, associate and joint-venture and an update on the Balance Sheet. The Board also receives monthly reports on the financial performance of the Group, strategy implementation updates, key operational matters, market updates, human resource developments, business development activities and updates on potential investment opportunities
- In addition, Board Committee members receive minutes and reports from Management relating to their specific areas of oversight, which may contain more detailed and specific information
- Queries by individual Directors on circulated papers are directed to Management who will respond accordingly and where relevant, Directors' queries and Management's responses are circulated to all Board members for their information

Access to Management, Company Secretary and Independent Advisers

- The Board has separate and independent access to the members of the GMB, the Company Secretary, and other key members of Management, as well as to the internal and external auditors
- The Board also has separate and independent access to the Company Secretary, who supervises, monitors and advises on governance matters, compliance with the Company's Constitution and applicable laws and regulations (such as the Code and the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST)). The Company Secretary, who is trained in legal and company secretarial practices and keeps abreast on relevant developments in such practices, communicates with relevant regulatory authorities and shareholders, facilitates communication between the Board, its committees and Management, and helps with the orientation and the professional development of the Directors. The appointment and removal of the Company Secretary are subject to the approval of the Board
- There is also a Board-endorsed procedure for Directors, either individually or collectively, in furtherance of their duties, to take independent professional advice, if necessary, at SATS' expense
- In the case of mergers & acquisitions and other significant transactions requiring shareholder approval, the Board may appoint independent financial advisors to evaluate the relevant transaction terms

Non-Executive Directors

- We have put in place processes to ensure that our non-executive Directors are well supported by accurate, complete and timely information, have unrestricted access to Management, have sufficient time and resources to discharge their oversight function effectively, and constructively challenge Management and help develop proposals on strategy
- To facilitate open discussion and review of the performance and effectiveness of Management, our non-executive Directors meet at least four scheduled times a year for informal discussions either before or after the scheduled Board meetings, and from time to time where required, without Management being present.

Non-Executive Directors' Remuneration

Each Director receives a basic fee. The Chairman of the Board receives an additional Chairman's fee. Each Director who is a member or the Chairman of a Board Committee also receives a member's fee or a Board Committee Chairman's fee (as the case may be). Non-executive Directors who cease to be a Director during any part of the financial year are paid pro-rated fees for the term of their office. Each Director also receives an attendance fee for each Board meeting and Board Committee meeting attended by him/her during the financial year. The attendance fees for Board and Board Committee meetings vary according to whether the meeting is held in the state/country in which the Director is ordinarily resident and whether the Director is attending in person or via teleconference/video conference.

Whilst the Remuneration and Human Resource Committee is of the view that non-executive Directors should not be over-compensated, it is mindful that competitive and equitable remuneration will attract, motivate and retain Directors with the necessary experience and capabilities and desired attributes who can contribute to the Company's future development and growth.

The significant expansion of the Group's business globally following the acquisition of WFS in April 2023 calls for a Board with relevant experience, knowledge and a deeper understanding of global markets. However, as the Board committed itself to supporting Management in driving cost management initiatives and its efforts to regain profitability following the WFS acquisition and the impact of the COVID-19 pandemic, the Board had not proposed changes or increases to the scale of fees for the non-executive Directors in FY2023-24, despite recognising that an expanded Group with a global footprint will mean an increase in the time, effort and work scope demanded of each Director. In fact, the fee scale has not been revised since the financial year ended 31 March 2019.

To account for the Group's expansion, the Board has been and is being constantly re-shaped to include non-executive Directors with international experience and a global set of networks. To continue attracting, retaining and motivating talent to join the SATS Board, the fee scale will be revised as set out below for the financial year ending 31 March 2025 (FY2024-25) onwards:

Types of Appointment	Current scale of Directors' fees S$	Proposed revised scale of Directors' fees for FY2024-25 onwards S$
Board of Directors		
Basic fee	55,000	**70,000**
Board Chairman's fee	85,000	**110,000**
Board Deputy Chairman's fee	40,000	**48,000**
Audit Committee		
Committee Chairman's fee	36,000	**45,000**
Member's fee	23,000	**28,000**
Executive Committee		
Committee Chairman's fee	36,000	**45,000**
Member's fee	23,000	**28,000**
Other Board Committees		
Committee Chairman's fee	25,000	**30,000**
Member's fee	13,000	**15,000**
Board Meeting Attendance Fee		
Attendance via teleconference/videoconference	1,000	**1,000 (No Change)**
Attendance in person in home city (up to 4 hours for travel within home city)	2,500	**2,500 (No Change)**
Attendance in person outside home city	5,000	**5,000 (No Change)**
Board Committee Meeting Attendance Fee		
Attendance via teleconference/videoconference	500	**500 (No Change)**
Attendance in person in home city (up to 4 hours for travel within home city)	1,200	**1,200 (No Change)**
Attendance in person outside home city	2,500	**2,500 (No Change)**

For FY2023-24, shareholders' approval was sought and obtained for the payment of an aggregate sum of up to S$1,500,000 as Directors' fees for the non-executive Directors. This sum, which represents an increase of S$150,000 from FY2022-23, was to cater for prospective appointments of additional non-executive Directors to augment the Board for an expanded Group following the acquisition of WFS. The aggregate amount of Directors' fees paid and/or to be paid to 12 non-executive Directors for FY2023-24 is S$1,227,928.95 (breakdown given below). The non-executive Directors did not receive any salary, performance-related income / bonuses, benefits in kind, stock options, share-based awards (other than as disclosed below) or other long-term incentives for FY2023-24.

For FY2024-25, approval of the shareholders will be sought, at the 2024 AGM, for the payment of an aggregate sum of up to S$1,700,000 as Directors' fees for the non-executive Directors.

The proposed amount of Directors' fees for FY2024-25 takes into account the revised scale of fees set out above and was computed based on a Board composition of 11 non-executive Directors following the conclusion of the 2024 AGM and the anticipated number of Board and Board Committee meetings for FY2024-25, assuming attendance by all the Directors at such meetings. The proposed sum also caters for additional fees (if any) which may be payable due to additional board representations on the Company's subsidiary(ies) and/or joint ventures, or for additional Board Committee members being appointed in the course of FY2024-25. If approved, the proposed fees for FY2024-25 will facilitate the payment of Directors' fees during or soon after the financial year in which such fees are incurred.

Subject to the requisite shareholders' approvals being obtained, the non-executive Directors (including the Chairman) will each receive approximately 70 percent of his/her total Directors' fees for FY2024-25 in cash and approximately 30 percent in the form of SATS shares (FY2023-24: 70 percent in cash and 30 percent in shares).

Corporate Governance Report

The share component is intended to be paid out in the form of awards under the SATS Restricted Share Plan. The awards will consist of fully paid shares with no performance conditions attached and no vesting periods imposed. However, the non-executive Directors will be required to retain a base shareholding worth up to one year's retainer fee for as long as he/she is on the Board, and for a period of one year after stepping down as a Director, in order to better align the interests of non-executive Directors with the interests of shareholders. A non-executive Director who steps down before the payment of the share component of his/her fees will receive all of his/her fees (calculated on a pro-rated basis, where applicable) in cash.

The cash component of the Directors' fees is intended to be paid half-yearly in arrears. The current intention is for the share component of the Directors' fees for FY2024-25 to be paid after the Annual General Meeting (AGM) in respect of FY2024-25 (2025 AGM) has been held. The actual number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the SGX-ST over the 10 trading days after the 2025 AGM, rounded down to the nearest hundred shares, and any residual balance will be settled in cash.

Details on the Directors' fees for FY2023-24, date of first appointment to the Board, date of last re-election, membership on Board Committees (during FY2023-24) and attendance at Board and Board Committee meetings, the Annual General Meeting held on 21 July 2023 (2023 AGM), in respect of the Directors who held office during FY2023-24, are set out below.

Name of Director	Date of first appointment to the Board	Date of last re-election to the Board	Board Meetings	Board Committee Meetings					2023 AGM	Total Directors' fees for FY2023-24 (SGD)
			Attendance rate (1 April 2023 to 31 March 2024)							
			BOD(1)	NC(2)	EXCO(3)	AC(4)	SSRC(5)	RHRC(6)		
			No. of meetings held (1 April 2023 to 31 March 2024)							
			8	3	4	4	4	5		
a) Executive Director										
Mr Mok Tee Heong Kerry	1 Jan 2022	22 Jul 2022	8	–	4	–	–	–	1	No Fee*
b) Independent Non-Executive Directors										
Ms Euleen Goh#	1 Aug 2013 (Director) 19 Jul 2016 (Chairman)	22 Jul 2022	8	3	4	–	–	5	1	249,472.13
Mr Achal Agarwal	1 Sep 2016	22 Jul 2022	8	–	4	–	–	5	1	117,000.00
Ms Vinita Bali	10 May 2021	22 Jul 2021	7	–	4	3/3		–	1	124,079.24
Mr Chia Kim Huat	15 Mar 2017	21 Jul 2023	7	3	–	–	4	–	1	105,800.00
Ms Jenny Lee	25 Jan 2019	22 Jul 2022	5	–	–	–	–	–	1	68,000.00
Mrs Deborah Ong	16 Nov 2020	21 Jul 2023	8	–	–	4	4	–	1	130,200.00
Ms Jessica Tan	17 Apr 2017	21 Jul 2023	8	3	–	4	–	–	1	123,627.87
Mr Tan Soo Nan(7)	25 Apr 2016	21 Jul 2021	2/2	–	–	1/1	1/1	–	1	33,823.29
Mr Yap Kim Wah(8)	20 Jul 2016	24 Sep 2020	2/2	–	–	1/1	1/1	–	1	37,505.48
Dr Detlef Trefzger(9)^	15 Apr 2023	21 Jul 2023	8	–	–	–	3	–	1	97,226.77
Mr Eng Aik Meng(10)	15 Apr 2023	21 Jul 2023	8	–	–	–	–	5	1	89,498.90
Mr Pier Luigi Sigismondi(11)	5 Sep 2023	–	4/4	–	–	–	2/2	–	–	53,730.60
Mr Mak Swee Wah(12)	11 Sep 2023	–	4/4	–	–	2/2	–	–	–	58,162.29
Ms Chan Lai Fung(13)	28 Feb 2024	–	2/2	–	–	–	n.m	–	–	11,131.15

Notes:

(1) Board of Directors (BOD) meetings included a 2-day Board Strategy Meeting (BSM) held from 14 to 15 September 2023 in Bangkok, Thailand.
(2) Nominating Committee (NC)
(3) Executive Committee (EXCO)
(4) Audit Committee (AC)
(5) Safety, Sustainability and Risk Committee (SSRC), previously known as the Board Risk and Safety Committee.
(6) Remuneration and Human Resource Committee (RHRC)
(7) Mr Tan Soo Nan retired from the Board on 21 July 2023 and his Directors' fees for FY2023-24 was paid fully in cash. He attended 2 out of 2 BOD meetings, 1 out of 1 AC meeting and 1 out of 1 SSRC meeting held during his term as a member of the Board, the AC and the SSRC respectively in FY2023-24.
(8) Mr Yap Kim Wah stepped down from the Board on 21 July 2023 and his Directors' fees for FY2023-24 was paid fully in cash. He attended 2 out of 2 BOD meetings, 1 out of 1 AC meeting and 1 out of 1 SSRC meeting held during his term as a member of the Board, the AC and the SSRC respectively in FY2023-24.
(9) Dr Detlef Trefzger was appointed as an independent non-executive Director and a member of the SSRC on 15 April 2023. Subsequently, he was appointed as the Chairman of the SSRC on 22 July 2023, replacing Mr Tan Soo Nan. He attended 8 out of 8 BOD meetings and 3 out of 4 SSRC meetings held during his term as a member of the Board and the SSRC respectively in FY2023-24.
(10) Mr Eng Aik Meng was appointed as an independent non-executive Director and a member of the RHRC on 15 April 2023. He attended 8 out of 8 BOD meetings and 5 out of 5 RHRC meetings held during his term as a member of the Board and the RHRC respectively in FY2023-24.
(11) Mr Pier Luigi Sigismondi was appointed as an independent non-executive Director and a member of the SSRC on 5 September 2023. He attended 4 out of 4 BOD meetings and 2 out of 2 SSRC meetings held during his term as a member of the Board and the SSRC respectively in FY2023-24.
(12) Mr Mak Swee Wah was appointed as an independent non-executive Director and a member of the AC on 11 September 2023. He attended 4 out of 4 BOD meetings and 2 out of 2 AC meetings held during his term as a member of the Board and the AC respectively in FY2023-24.
(13) Ms Chan Lai Fung was appointed as an independent non-executive Director and a member of the SSRC on 28 February 2024. She attended 2 out of 2 BOD meetings during her term as a member of the Board in FY2023-24. There were no SSRC meetings held during her term as a member of the SSRC in FY2023-24
* No Directors' fees were paid to PCEO, Mr Kerry Mok.
\# Ms Euleen Goh was appointed as the Chairman of the board of SATS Investments (III) Pte. Ltd. (SIPL3) (also referred to as the WFS Advisory Board - please refer to the "WFS Advisory Board" sub-section of this Corporate Governance Report for further details) with effect from 3 April 2023. She is entitled to an annual retainer fee of S$36,000 and meeting attendance fees of S$1,200 per meeting, payable by SIPL3. She was paid a pro-rated retainer fee of S$35,803.28 for her services as a director of SIPL3 and attendance fees of S$2,900 for attending 3 out of 3 meetings held by SIPL3 during FY2023-24.
^ Dr Detlef Trefzger was appointed as a director of SIPL3 with effect from 3 April 2023. He is entitled to an annual retainer fee of S$25,000 and meeting attendance fees of S$2,500 per meeting (outside home city), payable by SIPL3. He was paid a pro-rated retainer fee of S$24,043.72 for his services as a director of SIPL3 and attendance fees of S$5,500 for attending 3 out of 3 meetings held by SIPL3 during FY2023-24.

Board Committees

The Board is supported in its functions by, and has delegated authority to, the following Board Committees which have been established to assist in the discharge of the Board's oversight function, based on written and clearly defined terms of reference:

- Executive Committee
- Audit Committee
- Nominating Committee
- Remuneration and Human Resource Committee
- Safety, Sustainability and Risk Committee

Board Composition

The current compositions of our Board Committees are as follow:

Board Committee	Composition	Members
Executive Committee	• 4 members • 3 out of 4 (including Chairman) are IDs	• Ms Euleen Goh (Chairman) • Mr Kerry Mok • Mr Achal Agarwal • Ms Vinita Bali
Audit Committee	• 4 members • All IDs	• Mrs Deborah Ong (Chairman) • Ms Vinita Bali • Mr Mak Swee Wah • Ms Jessica Tan
Nominating Committee	• 3 members • All IDs	• Ms Jessica Tan (Chairman) • Ms Euleen Goh • Mr Chia Kim Huat
Remuneration and Human Resource Committee	• 3 members • All IDs	• Ms Euleen Goh (Chairman) • Mr Achal Agarwal • Mr Eng Aik Meng
Safety, Sustainability and Risk Committee	• 5 members • All IDs	• Dr Detlef Trefzger (Chairman) • Ms Chan Lai Fung • Mr Chia Kim Huat • Mrs Deborah Ong • Mr Pier Luigi Sigismondi

Corporate Governance Report

Executive Committee (EXCO)
The EXCO is chaired by Ms Euleen Goh and its members are Mr Kerry Mok, Mr Achal Agarwal and Ms Vinita Bali.

As Ms Euleen Goh will cease to be a Director with effect from the conclusion of the 2024 AGM, the NC has recommended that Mr Irving Tan be appointed as the Chairman of the EXCO in her place with effect from the conclusion of the 2024 AGM.

Key Responsibilities of the EXCO
The key responsibilities of the EXCO include the following:

- Guide Management on business, strategic and operational issues
- Review and monitor key strategic and legal risks, financial policy and risk appetite limits
- Undertake initial review of the three to five year forecast/business plans and annual capital and operating expenditure budgets for the Group and guide the assessment of strategic opportunities and development of related business initiatives
- Grant initial or final approval (depending on the value) of transactions relating to the acquisition or disposal of businesses, assets or undertakings, joint ventures, mergers, amalgamations or similar corporate transactions
- Oversee the development and implementation of the Group's environmental, social and governance (ESG) strategy
- Establish bank accounts
- Grant powers of attorney
- Affix common seal
- Nominate Board members to SATS' subsidiaries and associated companies

EXCO Meetings
The EXCO is required under its terms of reference to meet at least once in each financial year. The EXCO met four times in FY2023-24. Regular reports are presented at each meeting of the EXCO and matters such as the financial performance of the Group, status of strategy implementation, post investment reviews of significant investments and potential investments are discussed prior to seeking the relevant Board approvals and guidance. The Company Secretary and specific members of the GMB (depending on the topics of discussion to be tabled for presentation or approval at each meeting) are usually invited and are present at the meetings of the EXCO. Minutes of the meetings of the EXCO are forwarded to all Directors for their information. All circular resolutions of the EXCO are brought to the Board for notation at each quarterly Board meeting.

Audit Committee (AC)
The AC is chaired by Mrs Deborah Ong, and its members are Ms Jessica Tan, Ms Vinita Bali and Mr Mak Swee Wah. All the AC members (including the AC Chairman) are independent.

The AC members collectively have extensive experience in finance, accounting, human resource, information technology, business strategy, strategy and analytics, and in the aviation industry. The Board is of the view that the members of the AC have the necessary and appropriate expertise to effectively discharge their duties as AC members.

All members of the AC (including the AC Chairman) have recent and relevant accounting or related financial management expertise or experience.

Mrs Deborah Ong, the AC Chairman, was a partner in the Assurance practice at PricewaterhouseCoopers LLP and has more than 30 years of public accounting experience, providing audit and advisory services to companies in various industries. Mrs Ong has a proven record of managing the audits of large listed companies with operations both in and outside of Singapore. She is currently a board member of the Monetary Authority of Singapore, a board member and the chairperson of the respective audit and risk committees of the Lee Kong Chian School of Medicine Governing Board at Nanyang Technological University, Workforce Singapore, and SkillsFuture Singapore.

Ms Jessica Tan was Chairman of Singapore's Finance, Trade and Industry Government Parliamentary Committee (GPC) from 2010 to 2015. In 2016, she was appointed Chairman of Singapore's Public Accounts Committee (PAC) till June 2020. The PAC examines various accounts of the Government showing the appropriation of funds granted by Parliament to meet public expenditure, as well as other accounts laid before Parliament. In 2021, Ms Tan was appointed as a member of the Finance and Trade and Industry GPC and the Communications and Information GPC. Ms Tan has over 27 years of experience in the information technology industry, including 13 years with Microsoft and 14 years with IBM. At Microsoft, she served as the Managing Director of Microsoft Singapore between July 2013 and December 2016 and the General Manager of the Enterprise and Partner Group for Microsoft Asia Pacific between July 2011 and December 2013. Ms Tan joined Microsoft from IBM (based in Singapore), where she last held the role of Director Networking Services of IBM Global Services Asia Pacific Region.

Ms Tan is currently the Lead Independent Director and a Board member of CapitaLand India Trust Management Pte. Ltd. (the Trustee-Manager of CapitaLand India Trust) as well as a Board member of Mitsui & Co., Ltd. (Mitsui), (listed on the Tokyo Stock Exchange).

Ms Vinita Bali holds a Master of Management Studies with 37 years of professional experience in various business roles, including 13 years of experience as President, CEO or Managing Director (MD) of various organisations. In her roles as President of the Andean Division for The Coca-Cola Company (based in Chile) and as MD and CEO of Britannia Industries (listed on the stock exchanges in India), she had full responsibility for business results as an executive director, and interacted with investors, analysts and the media. In terms of her non-executive independent director roles, Ms Bali is currently a member of the audit committees of Syngene Ltd and Bajaj Auto Ltd (both listed on the stock exchanges in India). Her prior audit committee memberships as a non-executive director included Bunge Ltd (listed on the NYSE), Titan Company and Crisil Ltd (both listed on the Indian stock exchange).

Mr Mak Swee Wah was the Executive Vice President, Operations and Chief Operations Officer of Singapore Airlines (SIA), where he was responsible for SIA's cabin crew, customer services and operations, engineering and flight operations. With over 20 years of experience in senior management positions in the marketing, planning, and operational areas, he has developed a robust understanding of business processes, risk management, and strategic decision making. His senior management tenure provided exposure to financial and audit issues, particularly in aligning operational activities with financial regulations and audit standards, thus enhancing his ability to assess financial statements and understand the financial implications of operational strategies. He was also the non-executive director of SIAEC from April 2020 to September 2023. Mr Mak graduated from the London School of Economics and Political Science with a Master's Degree in Science, majoring in Operational Research, and a Bachelor of Science (First Class Honours) in Accounting and Finance. Mr Mak is currently a Director of Mount Faber Leisure Group Pte. Ltd., a member of Civil Aviation Authority of Singapore – Air Hub Development Advisory Committee and Senior Fellow of the Singapore Aviation Academy.

None of the AC members were partners or directors of SATS' existing external auditors within the previous two years prior to their appointment to the AC and none of the AC members have any financial interest in SATS' existing external auditors.

Key Responsibilities of the AC
The AC's primary role is to assist the Board with oversight of the integrity of financial statements and on the adequacy and effectiveness of internal controls and risk management systems in relation to financial reporting and other financial related risks and controls. It has explicit authority to investigate any matter within its terms of reference, full access to and co-operation of Management, and full discretion to invite any Director or executive officer to attend its meetings. It also has reasonable resources to discharge its functions.

SATS' Group Internal Audit team, and the external auditors, report their findings and recommendations to the AC independently. In particular, should the external auditors, in their review of the Company's year-end financial statements, raise any significant issues which have a material impact on the interim financial statements or financial updates previously announced by the Company, the AC shall bring this to the Board's attention immediately and will also advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates. The external auditors also update and keep the AC informed about relevant changes to accounting standards and issues which have a material impact on the financial statements.

The AC's key responsibilities include the review of:

Financial Reporting
- Financial statements and financial results announcements/voluntary quarterly business updates for the relevant quarters, including the review of significant reporting issues and judgments
- Revisions/additions/updates to the accounting policies for write-offs, capital expenditure, disposal of assets and investments, and other financial policies
- The assurance from the PCEO and Chief Financial Officer (CFO) on the financial records and financial statements

Internal Controls
- Compliance and information technology (financial reporting) risks
- The adequacy and effectiveness of the risk management and internal controls systems regarding financial reporting, accounting and other financial related risks and controls (and other risk and controls as delegated by the Board), at least annually
- The Board's Risk Management and Internal Controls Statement in conjunction with the Safety, Sustainability & Risk Committee
- The policy and arrangements by which our employees and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters in order for such concerns to be independently investigated and appropriately followed up on

External Audit
- The external audit plan, the external auditors' management letter, the scope and results of the external audit and Management's response
- The quality of the work carried out by the external auditors and the basis of such assessment, such as the use of ACRA's Audit Quality Indicators Disclosure Framework
- The assistance given by the executive officers of the Group and the Company Secretary to the external auditors
- The adequacy, effectiveness and independence of the external auditors
- The appointment, re-appointment or removal of the external auditors after evaluating their performance (taking into consideration ACRA's Audit Quality Indicators Disclosure Framework), the audit fee and terms of engagement, and making recommendation to the Board on the proposal to shareholders for the selection of external auditors

Internal Audit
- The adequacy of resources for the internal audit function and that it is staffed with persons with the relevant qualifications and experience and complies with the standards set by nationally or internationally recognised professional bodies, ensuring the appropriate standing of the internal audit function within SATS and its primary line of reporting to the AC
- The adequacy, effectiveness, independence, scope and results of the internal audit function, audit programme and the internal audit charter, including making recommendations to the Board on establishing an adequate, effective and independent internal audit function
- The hiring, removal, evaluation and compensation of the Head of Internal Audit
- Major findings on internal audit during the year and Management's responses thereto, difficulties encountered during the course of the audit, significant changes to the audit programme and compliance with relevant professional internal audit standards

Interested Person Transactions
- Interested person transactions as required under the Listing Manual of the SGX-ST (Listing Manual) and our mandate for interested person transactions (Shareholders' Mandate)

Whistleblowing Reporting
- Review the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or other in-scope matters (as defined in the SATS Whistleblowing Policy)
- Review reports on all in-scope whistleblowing incidents and ensure that they will be appropriately dealt with
- Review the disclosure of the SATS Whistleblowing Policy in the Annual Report, and publicly disclose the procedures for raising such concerns as appropriate

The AC is also tasked to perform all other functions and responsibilities of an audit committee that may be imposed by the Companies Act, the Listing Manual, the Code and other relevant laws and regulations, and reports to the Board on how it has discharged its responsibilities and whether it was able to discharge its duties independently.

During the financial year under review, the AC reviewed the Group's financial statements before the announcement of the Group's half-year and full-year results as well as the voluntary business updates for the first and third quarters of the financial year. In the process, it reviewed the key areas of management judgment, critical accounting policies, and any significant changes that would have a material impact on the financial statements.

As part of its continuous monitoring and financial reporting process, SATS closely assesses the carrying value of its investments in subsidiaries, associates, joint ventures, property, plant and equipment as well as intangible assets for indication of impairment. Management has been proactively following up on the developments of its businesses across the Group and there are regular reviews of the financial performance and projections as well as cash flow status of its investments. For assets or investments with indication of impairment, Management will determine the assets' recoverable amount based on value in use calculations using cashflow projections covering five to ten-year periods. The estimates on revenue forecasts, profit margins, growth rates and discount rates used in these cashflow projections will take into account assumptions on the current market condition, the long-term viability of customers and cost initiatives. Sensitivity analyses were also performed to evaluate whether reasonable changes in the key assumptions would lead to possible impairment. The AC reviewed and challenged Management's assumptions in relation to such asset impairment reviews and provided useful insights and guidance to Management.

The Key Audit Matter(s) are set out below:

Key Audit Matter(s) (KAM)	AC commentary on the KAM(s), how the matter(s) was/were reviewed and what decision(s) was/were taken
Impairment of non-financial assets, including goodwill	The AC reviewed Management's approach and methodology applied in the impairment assessment, focusing on cash generating units (CGUs) with goodwill and CGUs with indicators of impairment, and the key assumptions used in the determination of their value-in-use, including the macroeconomic outlook and other key drivers of cash flow projections. The determination of value-in-use is highly dependent on the assumptions applied in respect of projected revenue, profit margins, cashflows, terminal growth rates and discount rates. The AC also considered recent market analyst reports to obtain an understanding of the actual growth rates and outlook of the industries in which the CGUs operate. The AC considered the findings of the external auditors, including their assessment of the suitability of valuation methodologies and the underlying key assumptions applied in the determination of the value-in-use of the CGUs. The AC was satisfied with the impairment review process, approach and methodology used, and the conclusion of the impairment review performed by Management.
Accounting for acquisition of WFS	During the financial year, the Group completed the acquisition of WFS. The acquisition requires the evaluation of the fair values of the identifiable assets (including intangible assets acquired) and liabilities assumed. The AC reviewed Management's approach and methodology applied in the evaluation of the fair values of identifiable assets and liabilities assumed which involves significant estimates of the cashflow projection, discount rate, useful lives of assets and allocation of the resultant goodwill. The AC considered the analysis provided by an external valuation specialist in relation to the basis of identifying and valuing customer relationship, intangible assets and joint ventures. The AC also considered the findings of the external auditors, including their assessment of the suitability of valuation methodologies and the underlying key assumptions applied in the valuation model. The AC was satisfied with Management's approach, methodology used, and evaluation of the fair value of identifiable assets and liabilities assumed.

AC Meetings
The AC is required under its terms of reference to meet at least four times a year. The AC met four times in FY2023-24, including a joint AC and Safety, Sustainability and Risk Committee meeting.

The AC meets with the external auditors and with the internal auditors, in each case without the presence of Management, at least annually.

Review of Independence and Objectivity of External Auditors
The AC reviews the independence and objectivity of the external auditors annually, taking into consideration the requirements under the Accountants Act 2004. It has also reviewed the nature and volume of non-audit services provided by the external auditors to the Group during FY2023-24, KPMG LLP, and the fees, expenses and emoluments paid or made to them, and is satisfied that they have no significant impact on the independence and objectivity of the external auditors. The fees payable to KPMG LLP for FY2023-24 is disclosed in the audited financial statements.

At the recommendation of the AC and as approved by the Board, the re-appointment of KPMG LLP as the external auditors is subject to shareholders' approval at the 2024 AGM.

The Company has complied with Rule 712, Rule 713 and Rule 715 of the Listing Manual in relation to its auditing firms and the rotation of the audit partner.

Accountability
The Company adopts half-yearly reporting of its financial results which are prepared in accordance with the Singapore Financial Reporting Standards (International). Shareholders were presented with the half-year and full-year financial results within 45 days of the end of the half year financial period and 60 days of the end of the financial year respectively. Through the release of its financial results, the Board aims to present the shareholders with a balanced and understandable assessment of SATS' performance, position and prospects. However, in order to provide shareholders with a better understanding of the Company's performance in the context of the current business environment, the Company also provides voluntary quarterly business updates containing meaningful and relevant financial and non-financial information on the Company's performance for the first

and third quarters of each financial year. These voluntary quarterly business updates will include a discussion of the significant factors that affected the Company's interim performance and relevant market trends including the risks and opportunities that may have a material impact on the Company's prospects.

SATS strives to communicate pertinent information to shareholders and the investment community in a clear and detailed manner, and on a regular and timely basis. We disseminate material price-sensitive and trade-sensitive information to the public on a timely and non-selective basis, to provide our stakeholders with the latest and most relevant information they require to make informed decisions about the value of SATS and our long-term prospects.

SATS also participates in face-to-face/virtual investor conferences to meet with investors who are interested in knowing more about our business. We also respond to email requests from key institutional investors to meet with senior members of Management on specific matters and queries about our business. Communications with our stakeholders are conducted in an open and transparent manner and in compliance with the requirements of the Listing Manual.

Integrity of Financial Statements

The Company has in place a process to support Management's representations to the Board on the integrity of the Group's financial statements and internal control systems in relation to the requirement under the Listing Manual for the Board to issue a negative assurance statement that accompanies the Company's announcement of its financial statements.

Quarterly management accounts of the Group (covering unaudited consolidated financial results and explanatory notes explaining variance) are circulated to the Board for their information.

Independent Internal Audit Function

The Group's Internal Audit Department's (GIA) objectives, scope of authority and responsibilities are defined in the Group's Internal Audit Charter, which is approved by the AC. The AC is satisfied that GIA is adequately resourced, effective and independent of the activities it audits. GIA does not undertake any operational responsibility or authority over any of the activities within its audit scope.

GIA serves to provide the AC with reasonable assurance that the Group maintains adequate and effective internal controls covering financial, operational, compliance and information technology controls, and risk management systems. GIA also undertakes whistleblowing investigations.

GIA adopts a risk-based approach in formulating the annual internal audit plan that aligns its activities to the key risk areas across the Group. The annual internal audit plan is developed based on a documented risk and control assessment framework, which considers inherent risk and control effectiveness of each auditable entity or process in the Group, and includes consideration of inputs and expectations from Management and the Board. Audit projects are planned based on the results of the assessment, with priority given to auditing higher risk areas. In accordance with Rule 711B(3) of the Listing Manual, an internal review was conducted by GIA on the sustainability reporting processes in FY2023-24 to further strengthen the Company's procedures and controls. The AC reviewed all significant audit findings reported, recommendations made, and Management's responses thereto. GIA reported the results of remediating actions taken to the AC quarterly, after Management ensured that GIA's recommendations had been implemented in a timely manner. The internal controls relating to sustainability reporting under the scope of review by GIA was overall rated as Satisfactory.

The annual internal audit plan is reviewed and approved by the AC. The AC conducts an annual review of the adequacy, effectiveness, independence, scope and results of the internal audit function and ensures that GIA has appropriate standing within the Group to perform its function effectively. GIA also works closely with Management in its internal control advisory review role to promote effective risk management, robust internal control and good governance practices.

Audit reports containing identified issues and corrective action plans are reported to the AC and Senior Management[1]. Progress of the corrective action plans is monitored and past due action plans are included in regular reports to Senior Management and the AC. GIA works closely with the external auditors to coordinate audit efforts and updates the external auditors of all relevant audit matters.

[1] Senior Management are employees holding the rank of Senior Vice President and above.

GIA is headed by Head, Group Internal Audit and staffed by suitably qualified and experienced executives. Internal auditors report to the Head, Group Internal Audit, who reports functionally to the AC. In the execution of its audit activities, GIA is authorised to obtain the assistance of specialist or specialised services (such as technology audits) from within or outside of the organisation or to outsource audit projects to reputable firms with project-appropriate resources and specialised skills. In situations where the audit work to be carried out by GIA may potentially give rise to conflicts of interest, it will be brought to the attention of the AC. The AC may authorise such audit work to be carried out by an independent third party as it deems appropriate.

The appointment and removal of the Head, Group Internal Audit are subject to the approval of the AC. Under the Group's Internal Audit Charter, GIA has full access to the AC and unrestricted access to all the Group's documents, records, properties and personnel. Restrictions to these accesses imposed by any employee of the Group (including Management), which prevents GIA from performing its duties, will be reported immediately to PCEO or directly to the AC, based on circumstances as determined by the Head, Group Internal Audit.

GIA is a corporate member of the Singapore chapter of the Institute of Internal Auditors (IIA). It is guided by the Standards for the Professional Practice of Internal Auditing set by the IIA. In line with leading practices, GIA has a Quality Assurance and Improvement Programme that covers its audit activity and conforms to the International Standards for the Professional Practice of Internal Auditing. External Quality Assurance Reviews are carried out at least once every five years by qualified professionals from an external organisation. Training and development opportunities are provided for GIA staff to ensure their technical knowledge and skill sets remain current and relevant. Support is also given to GIA staff to achieve and maintain their certification and relevant professional accreditations (e.g., Certified Internal Auditor, Certified Fraud Examiner, Certified Information Systems Auditor and Chartered Accountants, etc.). A structured programme is in place for professional service providers engaged by the Group to regularly share their knowledge and expertise with GIA staff. GIA staff also attend external trainings and seminars conducted by reputable public accounting and auditing firms, and professional associations such as IIA, Association of Certified Fraud Examiners, Institute of Singapore Chartered Accountants and ISACA.

Review of Interested Person Transactions

The Group has established policies and procedures to comply with the reporting requirements under Chapter 9 of the Listing Manual relating to Interested Person Transactions (IPTs). GIA regularly reviews the IPTs entered into by the Group to verify the accuracy and completeness of the relevant IPT disclosures. The IPTs will be documented and submitted in a report to the AC for their review. During the financial year under review, the AC, assisted by the GIA, reviewed the IPTs (including those IPTs entered into pursuant to the Shareholders' Mandate approved by shareholders at the 2023 AGM), and is satisfied that the IPTs were made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The details of the Shareholders' Mandate (as proposed to be renewed at the 2024 AGM) are set out in the Appendix to the Letter to Shareholders dated 20 June 2024 (2024 Letter to Shareholders). The Appendix describes, *inter alia*, the review procedures for determining transaction prices of, and the relevant internal approval thresholds for, IPTs entered into pursuant to the Shareholders' Mandate.

As required by the Listing Manual, details of the IPTs entered into by the Group are disclosed in this Annual Report. Pursuant to the Listing Manual, where any IPT requires specific shareholders' approval, the interested person and any associate of the interested person must abstain from voting on the resolution and must not accept appointments as proxies unless specific instructions as to voting have been given. In relation to the annual renewal of the Shareholders' Mandate at the Company's AGMs, interested persons covered by the mandate, as well as their associates, must abstain from voting on the resolution to renew the Shareholders' Mandate and the Company will disregard any votes cast by such persons on such resolution.

Nominating Committee (NC)

The NC is chaired by Ms Jessica Tan, and its members are Ms Euleen Goh and Mr Chia Kim Huat. All of the NC members (including the NC Chairman) are independent.

Ms Euleen Goh will cease to be a Director and thereupon, as a member of the NC, with effect from the conclusion of the 2024 AGM. The Company will announce Ms Goh's replacement on the Nominating Committee in due course.

Key Responsibilities of the NC

The key responsibilities of the NC include the following:

- Implement and monitor the Board Diversity Policy, and review and make recommendations to the Board on the composition of the Board, taking into consideration diversity of skills, experience, gender, age, knowledge, size, geography, nationality and ethnicity
- Make recommendations to the Board regarding the process for identification and selection of new Directors, including recommending Directors for appointment to the Board Committees
- Make recommendations to the Board on re-nominations and re-appointments of existing Directors
- Review and make recommendations to the Board on succession planning for Board and Board Committee members, including for the Chairman of the Board and the Chairmen of the respective Board Committees
- Evaluate the independence of Directors on an annual basis, and as and when circumstances require
- Determine if Directors are able to and have been adequately and effectively carrying out their duties as Directors of SATS, especially those who hold multiple directorships and principal commitments

Corporate Governance Report

- Implement the Board evaluation process for assessing the effectiveness of the Board as a whole and the effectiveness of the Board Chairman, Board Committees and Directors
- Review and make recommendations to the Board on the training and professional development programmes for the Directors, and ensuring that new Directors are aware of their duties and obligations and undergo the listed entity director training programme (where necessary)
- Save as otherwise disclosed below, such other authorities and duties as provided in the Code

Under Provision 4.1(a) of the Code, one of the responsibilities of the NC is to make recommendations to the Board on relevant matters relating to the review of succession plans for directors, in particular the Chairman, the CEO and key management personnel. Practice Guidance 4 accompanying the Code was amended with effect from 1 July 2021 to clarify that the Board, having regard to the particular circumstances of the company, has the prerogative to determine that any other board committee can be given the responsibility to review the succession plans for the PCEO and key management personnel.

The Board has considered the requirements of the Company and decided that the review of succession plans for the PCEO and key management personnel (within the meaning of the Code and the accompanying Practice Guidance) would be under the purview of our Remuneration and Human Resource Committee (RHRC) instead of our NC. The RHRC, together with the PCEO (as applicable), conducts an annual succession planning review of the Relevant Key Management Personnel[2] and other selected key positions, taking into account, the Group's current needs and future strategic capabilities. Any recommendations made by the RHRC on the review of succession plans for the PCEO and the Relevant Key Management Personnel[2] will be presented to the Board for approval. Such an arrangement allows the RHRC to consider succession planning holistically with other human resource related issues such as remuneration, talent retention and recruitment. Further, the undertaking of the review of succession plans for the PCEO and Relevant Key Management Personnel[2] by the RHRC instead of the NC does not detract from the underlying principle that there should be a formal and transparent process for the appointment of the PCEO and the Relevant Key Management Personnel. Both the NC and RHRC consist entirely of independent non-executive Directors.

NC Meetings
The NC met three times in FY2023-24. The NC terms of reference requires the NC to meet at least once a year.

Review of Board Composition and Size
The Board, through the NC, reviews the composition of the Board, taking into consideration diversity of skills, experience, gender, age, knowledge, size, geographical background and experience, nationality and ethnicity. The NC has developed a set of principles to guide it in carrying out its responsibilities of reviewing and determining an appropriate Board composition, and implements and monitors the Board Diversity Policy. The NC reviews the composition of the Board to ensure that the Board comprises Directors who as a group provide core competencies, in areas such as accounting, finance, legal, supply chain management and logistics, branding, business, management (including human capital development and management) experience, industry knowledge, technology, strategic planning experience, and customer-based experience/knowledge, required for the Board to be effective.

The Board, in concurrence with the NC, is of the view that, taking into account the nature and scope of our operations, the requirements of our businesses and to facilitate effective decision-making, the appropriate size of the Board should range from 8 to 12 members, with independent Directors making up the majority of the Board (in our case, 13 out of 14 Directors are independent) notwithstanding that Rule 210(5)(c) of the Listing Manual only requires that independent directors comprise at least one-third of an issuer's board at any time. No individual or small groups of individuals dominate the Board's decision-making. As at the date of the Notice of AGM for the 2024 AGM, the Board comprised 14 Directors. This increase from the recommended Board size of between 8 to 12 members is temporary, and is meant to accommodate the transition between tenured and new Board members. In particular, Ms Euleen Goh will step down as Chairman and a Director of the Board and SIPL3 on 19 July 2024 at the conclusion of the 2024 AGM, and Mr Irving Tan, the current Chairman-designate, will succeed her as Chairman of the Board. In addition, both Ms Jenny Lee and Dr Detlef Trefzger have notified the Company that they will be stepping down from the Board with effect from the conclusion of the 2024 AGM. Accordingly, upon the conclusion of the 2024 AGM, the Board will comprise 11 Directors.

No alternate Directors were appointed during FY2023-24. The Board will generally avoid approving the appointment of alternate Directors, which is in line with the principle that Directors must be able to commit time to SATS' affairs. The Board believes that alternate Directors should only be appointed in exceptional circumstances, and will generally not approve the appointment of alternate Directors.

[2] Relevant Key Management Personnel refers to the PCEO and his direct reports.

Each Director brings to the Board a myriad of technical, professional, business and geographical experience and competencies to SATS, as can be seen from the "Skills and Experience" and "Geographical Background and Experience" charts set out in the "Board Diversity Policy, Targets, Timelines and Progress" section in this Annual Report. The NC, when sourcing and identifying suitable candidates for the Board, aims to ensure that the Board has an appropriate balance and diversity of skills, experience and knowledge in setting the overall business strategies and directions of the Company and its group of companies as well as providing guidance to the Management. Whilst the current Directors' Expertise and Experience matrix reflects that the Directors have the expertise in the requisite areas identified by the Board as described in the "Board Composition" section in this Annual Report above, the Board continues to be re-shaped in alignment with the expanded scope of our business. In reviewing the Board's composition, rotation and retirement of Directors and succession planning, the NC gives due regard to ensuring Board diversity.

Selection and Appointment of New Directors
The NC regularly reviews the existing attributes and competencies of the Board in order to determine the desired experience or expertise required to strengthen or supplement the Board, taking into consideration the existing composition of the Board and the need for progressive renewal of, and diversity on, the Board. A Directors' Experience and Expertise matrix is prepared, which provides an overview of the Directors' experience and expertise and serves as a guide for the NC when sourcing and identifying suitable candidates for the Board.

The NC is responsible for making recommendations to the Board regarding the identification and selection of new Directors. Taking into consideration the desired qualifications, skill sets, competencies and experience which are required to supplement the Board's existing attributes, if need be, the NC may seek assistance from external search consultants for the selection of potential candidates. No external search consultant was engaged during FY2023-24. Directors and Management may also put forward names of potential candidates, together with their curriculum vitae, for consideration. The NC, together with the Chairman of the Board, then meet with the short-listed candidates to assess their suitability, before submitting the appropriate appointment recommendations to the Board for approval.

Succession Planning and Board Renewal
The NC has reviewed and considered the succession plans for the Board and Board Committee members.

As part of the Board renewal process:

- Mr Pier Luigi Sigismondi was appointed as an independent non-executive Director with effect from 5 September 2023;
- Mr Mak Swee Wah was appointed as an independent non-executive Director with effect from 11 September 2023;
- Ms Chan Lai Fung was appointed as an independent non-executive Director with effect from 28 February 2024; and
- Mr Irving Tan was appointed as an independent non-executive Director and Chairman-designate with effect from 16 May 2024.

They will retire in accordance with Article 96 of the Company's Constitution and will offer themselves for re-election at the 2024 AGM.

Ms Euleen Goh, who has served for more than 10 years as an independent non-executive Director and more than seven years as the Board Chairman, will be retiring by rotation at the 2024 AGM and has notified the Company that she will not be seeking re-election. She will therefore cease to be a Director and the Chairman at the conclusion of the 2024 AGM, following which Mr Irving Tan, the current Chairman-designate, will succeed her as Chairman.

Following the appointment of Mr Sigismondi, Mr Mak and Ms Chan, the Board (upon the recommendation of the NC) made the following changes to the compositions of the AC and SSRC:

(i) Mr Pier Luigi Sigismondi has been appointed as a member of the SSRC with effect from 5 September 2023;
(ii) Mr Mak Swee Wah has been appointed as a member of the AC with effect from 11 September 2023; and
(iii) Ms Chan Lai Fung has been appointed as a member of the SSRC with effect from 28 February 2024.

Ms Euleen Goh and Dr Detlef Trefzger will cease to be Directors and thereupon, as members/Chairmen of the respective Committees on which they sit, with effect from the conclusion of the 2024 AGM. The Company will announce their replacements on these Committees in due course.

In identifying any potential candidates for the Board, the NC will also take into account whether the candidate has fully discharged his/her duties and obligations during his/her previous directorship of a company listed on the SGX-ST, whether the candidate has previously served on the board of a company with an adverse track record or with a history of irregularities or is/was under investigation by regulators and whether a candidate's resignation from the board of any such company would cast doubt on his/her ability to act as a Director of the Company.

Review of Directors' Independence
The NC is tasked to determine on an annual basis, and as and when circumstances require, whether or not a Director is independent, having regard to the definition of an "independent Director" and guidance as to the types of relationships which would deem a Director not to be independent, under the Listing Manual, the Code and its accompanying Practice Guidance.

Corporate Governance Report

Under the Code, an "independent Director" is one who is independent in conduct, character and judgement, and has no relationship with SATS, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of SATS. Under the Listing Manual, a Director will not be independent if he/she is employed or has been employed by SATS or any of its related corporations in the current or any of the past three financial years, or if he/she has an immediate family member who is employed or has been employed by SATS or any of it related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the RHRC.

The Directors complete an annual confirmation of independence, whereby they are required to critically assess their independence, which the NC takes into account for the purposes of this review. The Directors are mindful, however, that the relationships identified in the annual confirmation of independence are only indicators of possible situations where independent judgment may be impaired, but are not in themselves conclusive. Independence is often only meaningful in the context of each particular relationship considering the business environment, shareholding, organisational structure and operating constraints. Directors also disclose any relationship with SATS, its related corporations, its substantial shareholders or its officers which may affect their independence, as and when they arise.

The NC and the Board have determined that the independent Directors as at the end of FY2023-24 are Ms Euleen Goh, Mr Achal Agarwal, Ms Vinita Bali, Mr Chia Kim Huat, Ms Jenny Lee, Mrs Deborah Ong, Ms Jessica Tan, Dr Detlef Trefzger, Mr Eng Aik Meng, Mr Pier Luigi Sigismondi, Mr Mak Swee Wah and Ms Chan Lai Fung.

Ms Euleen Goh first joined the Board as an independent Director on 1 August 2013 (and as Board Chairman with effect from 19 July 2016) and reached nine years of service on 1 August 2022. The Company obtained the requisite approvals from shareholders at the Company's 2022 AGM for the continued appointment of Ms Goh as an independent Director beyond 1 August 2022 via the two-tier voting process under the then applicable Rule 210(5)(d)(iii)(A) and Rule 210(5)(d)(iii)(B) of the Listing Manual. But for the amendment to the Listing Manual implemented by the SGX-ST on 11 January 2023 to cap the tenure of independent directors of issuers to nine years (as discussed in the next paragraph), the requisite approvals obtained under Rule 210(5)(d)(iii) in relation to the independence status of Ms Goh would have remained in force until (i) her retirement or resignation as a Director, or (ii) the conclusion of the third AGM following the passing of the relevant resolutions for her continued appointment as an independent Director, whichever is the earlier.

On 11 January 2023, the SGX-ST removed with immediate effect the two-tier vote mechanism under Rule 210(5)(d)(iii) and introduced new Rule 210(5)(d)(iv) which limits the tenure of independent directors serving on the boards of listed issuers to nine years. As a transition, independent directors whose tenure exceeds the nine-year limit can continue to be deemed independent until the issuer's AGM held for the financial year ending on or after 31 December 2023 so long as they meet the requirements in Rule 210(5)(d)(i) and Rule 210(5)(d)(ii) of the Listing Manual. As Ms Goh satisfies these requirements, she can continue to be deemed independent until the conclusion of the 2024 AGM.

In seeking the requisite approvals under Rule 210(5)(d)(iii) for Ms Goh to continue as an independent Director at the 2022 AGM, the Company had sought to strike an appropriate balance between the need for Board refreshment and the need to provide continuity in leadership and guidance to Management amidst the challenging operating environment. There had also been changes to the key members of Management over the recent years, including the appointment of Mr Kerry Mok as PCEO on 15 December 2021. As the Company had been gearing up for aviation recovery, there had also been significant transformation to focus on operational excellence and proficiency as well as to meet the increasing demands of our customers and eco-system partners. The NC (with Ms Goh abstaining and recusing herself) had considered the above factors and assessed then that it would be in the best interests of the Company for Ms Goh to continue serving as an independent Director and Board Chairman in order to oversee Management transition and implementation of the various initiatives. The NC was of the view that the Company would benefit from an independent Director who had, over time, accumulated deep institutional knowledge, expertise and valuable insights into the Company's business and established strong relationships with key regulators and customers. In seeking the requisite approvals under Rule 210(5)(d)(iii) for Ms Goh to continue as an independent Director at the 2022 AGM, the NC and the Board (in both cases, with Ms Goh abstaining and recusing herself from the deliberations as to her independence) determined that Ms Goh's independence from Management had not been compromised despite her long tenure as she remained objective and independent-minded in Board and Board Committee deliberations. In light of her robust discussions with PCEO and the Management team during Board and Board Committee meetings and her constructive challenges to them on matters raised for deliberations and taking into account that during her tenure as an independent Director, there had been various changes to the key members of Management (including the PCEO), the NC and the Board determined that Ms Goh's independence was not compromised due to her long tenure of working with the same management team.

For the same reasons, the NC and the Board (in both cases with Ms Goh abstaining and recusing herself from the deliberations as to her independence) are of the view that Ms Goh can continue to be regarded as an independent Director until the conclusion of the 2024 AGM. As disclosed above, Ms Goh, who will be retiring by rotation at the 2024 AGM, has notified the Company that she will not be seeking re-election as a Director of the Company at the 2024 AGM.

Ms Jenny Lee was appointed to the Board on 25 January 2019. She was subsequently appointed as a non-executive independent Director of Temasek Holdings (Private) Limited (Temasek) with effect from 1 January 2022. Temasek is a substantial shareholder of SATS. Ms Lee has confirmed to the Company that she is not accustomed or under any obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in relation to SATS' corporate affairs. She further confirmed that her appointment as a Director of Temasek does not interfere, and would not be reasonably perceived to interfere, with the exercise of her independent business judgement in the best interests of SATS and she does not have any other relationship (whether familial, business, financial, employment or otherwise) with Temasek that could interfere, or be reasonably perceived to interfere, with the exercise of her independent business judgement in the best interests of SATS. She has agreed to recuse herself from participating in any and all discussions and decisions concerning transactions/matters and/or proposed transactions/matters between SATS and Temasek. The NC and the Board (with Ms Lee abstaining and recusing herself from the Board's deliberations), having reviewed Ms Lee's declaration of independence and her above-mentioned confirmations, have determined that Ms Lee is an independent Director. As disclosed above, Ms Lee has notified the Company that she will be stepping down from the Board with effect from the conclusion of the 2024 AGM.

Mr Eng Aik Meng was appointed to the Board on 15 April 2023. He was appointed as a non-executive independent Director of 65 Equity Partners Pte Ltd (65EP), a wholly owned subsidiary of Temasek, with effect from 15 March 2021. Temasek is a substantial shareholder of SATS. Mr Eng has confirmed to the Company that he is not accustomed or under any obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of Temasek in relation to SATS' corporate affairs. He further confirmed that his appointment as a Director of 65EP does not interfere, and would not be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of SATS and he does not have any other relationship (whether familial, business, financial, employment or otherwise) with 65EP or Temasek that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of SATS. The NC and the Board (with Mr Eng abstaining and recusing himself from the Board's deliberations), having reviewed Mr Eng's declaration of independence and his above-mentioned confirmations, have determined that Mr Eng is an independent Director.

Ms Jessica Tan was appointed to the Board on 17 April 2017. She was subsequently appointed as a Non-Executive Director of Mitsui with effect from 21 June 2023. Ms Tan has agreed that, in the event of any business dealings with Mitsui requiring the Board's approval, she will recuse herself from participating in any and all discussions and decisions involving Mitsui's dealings with SATS. Following from this, the NC determined that the business relationships between SATS and Mitsui would not affect Ms Tan's independence as a Director of SATS. The NC and the Board (in both cases with Ms Tan abstaining and recusing herself from the deliberations), having reviewed Ms Tan's declaration of independence and taking into consideration her agreement to recuse herself from discussions and decisions involving Mitsui, are of view that Ms Tan's directorship at Mitsui does not interfere with the exercise of her independent business judgement in the best interests of SATS, and have therefore determined that Ms Tan is an independent Director.

Mr Pier Luigi Sigismondi was appointed to the Board on 5 September 2023. Mr Sigismondi was the Executive Chairman at Sustenir during FY2023-24 and recently resigned as a director and the Executive Chairman of Sustenir with effect from 23 May 2024. Although Sustenir had not formed any commercial relationship with the SATS Group, Mr Sigismondi had (prior to his resignation from Sustenir) agreed to recuse himself from participating in all discussions and decisions concerning transactions/matters between the SATS Group and Sustenir, its subsidiaries, associates and/or competitors. The NC and the Board (with Mr Sigismondi abstaining and recusing himself from the Board's deliberations), having reviewed Mr Sigismondi's declaration of independence and taking into consideration his agreement to recuse himself from discussions and decisions involving Sustenir, are of the view that Mr Sigismondi's previous role at Sustenir does not interfere with the exercise of his independent business judgement in the best interests of SATS, and have therefore determined that Mr Sigismondi is an independent Director.

Apart from the roles/positions specifically described in the preceding two paragraphs, some of our Directors are also board members or executive officers of other organisations that provide or receive services to or from the SATS Group in the ordinary course of business and on normal commercial terms. These transactions were entered into based on merit and competitive terms negotiated by Management, and the relevant Directors were not involved in the process for, or approval of, the transactions. These Directors have also confirmed that they were not involved in the decision by their respective organisations to enter into the transactions with the SATS Group. The NC and the Board considered the conduct of each such Director in the discharge of their duties and responsibilities as Directors of SATS, and are of the view that the foregoing relationships did not impair their ability to act with independent judgment in the discharge of their duties and responsibilities as SATS Directors. On this basis, the Board, taking into account the views of the NC, arrived at the determination that each such Director is independent. The relevant Directors recused themselves from the Board's and (where applicable) the NC's deliberations on their own independence.

Mr Kerry Mok is the PCEO, and is the only executive Director on the Board. He is thus a non-independent Director. The nature of our business and operations merit the continuity of an executive Director on the Board to provide independent Directors with the requisite background and knowledge to facilitate their independent judgment and decision-making.

Corporate Governance Report

Review of Directors' Time Commitments
The NC determines annually whether a Director has been adequately carrying out his/her duties as a Director of SATS, taking into consideration the number of that Director's other listed company board representations and other principal commitments. The NC is of the view that the number of each Director's other directorships was in line with our internal guideline that the maximum number of listed company board representations which any non-executive Director may hold should not be more than six. Having regard to each Director's attendance record for Board and, where applicable, Board Committee meetings, and his/her ability to contribute effectively thereat, the NC is of the view that each Director has been able to effectively discharge his/her duties as a Director of SATS, and is satisfied that Directors who hold multiple board representations nevertheless devoted sufficient time and attention to SATS's affairs. In particular, the NC reviewed the Directors' time commitments in FY2023-24, and the NC and the Board noted that notwithstanding the number of other non-listed directorships that Ms Jenny Lee holds, she has been able to attend most of the Board meetings and has contributed substantially to the discussions at such meetings and whenever called upon for ad-hoc meetings

The role of the Chairman, in particular, requires significant time commitment. As Board Chairman, Ms Euleen Goh plays a crucial role as she is required to provide leadership to the Board and to ensure that the Board plays a full and constructive part in the development and determination of the Group's strategies, objectives and growth. The NC and the Board (each, without Ms Goh's participation) were of the view that she has managed her other time commitments appropriately and has enough capacity to discharge her obligations as our Chairman. This was reflected in her full attendance of all relevant meetings and the time spent in the conduct of her various duties as outlined in this Corporate Governance Report.

The NC had also carefully deliberated on Mr Irving Tan's candidacy as a Director and Chairman-designate of the SATS Group given his current executive role in a global conglomerate. Having discussed with Mr Tan the time commitments and obligations expected of the role of Chairman, the NC is of the view that he would be able to manage his other time commitments appropriately and will have sufficient capacity and bandwidth to discharge his obligations as Chairman of the SATS Board.

During FY2023-24, most Directors achieved full attendance for Board and Board Committee meetings held during their respective tenures as Directors and (where applicable) Board Committee members. The meeting attendance records of all Directors, their list of directorships and other principal commitments are fully disclosed in our Annual Report.

Assessment of Board Performance
The Board, with the assistance of the NC, has approved the objective performance criteria and implemented a process for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contributions by the Chairman and each individual Director of the Board.

The NC assesses each individual Director's contribution to the effectiveness of the Board annually and as and when required.

Assessment of Board and Board Committees and individual Directors' performance is carried out annually through evaluation questionnaires. As the NC has determined that an external consultant will be engaged once every three years and Egon Zehnder (an independent global management consulting firm with no other connection with SATS or any of the Directors) was engaged for the Board performance assessment process in FY2022-23, no external consultant was engaged for the Board performance assessment process in FY2023-24.

The questionnaire sent to Directors has evaluations on the Board and Board Committees, on peer performance, and on self-assessment on independence. Issues such as Board composition, Board independence, Board dynamics and culture (including support and recognition of Management), Board processes, information management and flow, ESG, ethics and investor relations (including effectiveness of the Board in fulfilling its role of creating and delivering sustainable value to shareholders (while also keeping other stakeholders' interests in balance)), leadership and oversight of the Company's strategy and performance, benchmarking with industry peers, effectiveness of Board Committees, PCEO performance and succession planning, Directors' development and management, and risk management are covered. Directors are also encouraged to provide feedback on areas in which they have seen improvement or decline in FY2023-24, identify areas in which the Board has done well (relative to other companies on which they also sit as directors), and recommend useful practices for adoption by the Board. For the peer evaluation contained in the questionnaire, the Directors are encouraged to provide comments about the contribution of their peers, the objective of which is to show whether each Director has demonstrated his/her willingness and ability to constructively challenge and contribute effectively to the Board, and his/her commitment to his/her roles on the Board.

Feedback from the GMB members regarding the Board's performance was not obtained in FY2023-24. This feedback collection exercise is usually conducted once every three years when the NC appoints an external consultant to facilitate the Board evaluation process.

The results from the questionnaires and the feedback obtained from the Directors were collated by the Company Secretary and shared with the Board Chairman and the NC members, and subsequently with the entire Board. Based on the feedback received from the Directors, the following aspects of the Board stood out:

- strong governance, independence and depth of knowledge of Board members;
- expertise in the financial and structural aspects of mergers and acquisitions transactions;
- the Board is committed and spends significant time on Company matters; and
- the Board is well-managed and enjoys good dynamics with sufficient debate and discussions amongst Board members.

The Board Chairman held discussions with each individual Director on any concerns which the Director might have, provided him/her with feedback on his/her performance, and also sought his/her feedback on the Chairman's own performance. The Board discussed the findings of the evaluation and agreed to follow-up on proposed action items.

Orientation and Training for Directors
The NC exercises oversight of the orientation, training and professional development of Directors.

We have a formal and structured orientation framework. Newly-appointed Directors undergo a two-day familiarisation exercise whereby they undergo a comprehensive and tailored programme, including visits to major businesses and joint ventures, site visits to the kitchens, SATS Integrated Control Centre and Cargo Security Control Centre etc., as well as presentations by members of Management, to facilitate the Directors' understanding of the Group's objectives, strategic plans, businesses, operations and processes. Each newly-appointed Director is also sent a formal appointment letter setting out his/her roles, duties, obligations and responsibilities. The Director is also requested to provide an undertaking to use his/her best endeavours to comply with the requirements of the Listing Manual. External legal counsel may also be engaged to conduct briefing sessions for newly-appointed Directors on the roles and responsibilities of a Singapore listed company director. As newly appointed Directors, Mr Pier Luigi Sigismondi, Mr Mak Swee Wah, Ms Chan Lai Fung and Mr Irving Tan have (i) been briefed by members of Management on the Groups' objectives, strategic plans, businesses operations and processes, and (ii) visited the Company's facilities in Singapore to familiarise themselves with its various business operations.

Copies of the minutes of immediate past Board and Board Committee meetings are made available on a secure online portal. Directors are also provided with other materials relating to the Board and Board Committees, including the terms of reference of the various Board Committees on which they are appointed as well as relevant guidelines and policies.

A new Director who has no prior experience as a director of an issuer listed on the SGX-ST must also undergo mandatory training in his/her roles and responsibilities as prescribed by the SGX-ST, unless the NC is of the view that training is not required because he/she has other relevant experience, in which case the basis of its assessment will be disclosed.

Mr Pier Sigismondi has attended and completed his training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST in March 2024. Ms Chan Lai Fung will complete the requisite training within one year from her appointment. The NC has assessed that Mr Mak Swee Wah and Mr Irving Tan are not required to attend the requisite training as they have prior experience as a director of an SGX-listed company or as a director of the manager of an SGX-listed business trust. Mr Mak Swee Wah was a non-executive director of SIAEC (listed on the SGX-ST) and Mr Irving Tan was an independent non-executive director of Netlink NBN Management Pte. Ltd., the manager of Netlink NBN Trust (listed on the SGX-ST).

The Directors are provided with continuing education, particularly on relevant new laws, regulations and changing commercial risks. They are briefed by the Company Secretary in areas such as directors' duties and responsibilities under the Companies Act, Listing Manual and Securities and Futures Act 2001 (SFA) to enable them to carry out their statutory and fiduciary duties as well as to update and refresh them on matters that may affect and/or enhance their performance as Board members.

As part of the Directors' ongoing training, Directors are encouraged to attend training, conferences, courses and seminars conducted by external organisations such as the Singapore Institute of Directors and Temasek Management Services Pte. Ltd. on corporate governance, leadership and industry-related subjects. The registration process is facilitated by SATS and the course fees are borne by SATS. Workshops, conferences and seminars attended by some of the Directors during FY2023-24 included a two-day Asia Board Leadership Summit organised by the Human Capital Leadership Institute, which was held from 30 to 31 January 2024.

Pursuant to Rule 720(7) of the Listing Manual, except Ms Chan Lai Fung who was appointed on 28 February 2024, all of the Directors in office as at the end of FY2023-24 have completed the required training on sustainability matters as prescribed by the SGX-ST during the course of FY2023-24. Ms Chan, as well as Mr Irving Tan, who was appointed after the end of FY2023-24, will undergo the required training on sustainability matters as prescribed by the SGX-ST during the course of FY2024-25.

Corporate Governance Report

Review of Board Tenure

The NC reviews the tenure of the non-executive Directors. With effect from FY2010-11, newly appointed non-executive Directors are appointed to serve an initial term of three years and such initial term of office may be renewed for subsequent terms upon the recommendation of NC and as approved by the Board.

Rotation and Re-Election of Directors

The NC reviews and recommends to the Board the rotation and re-election of Directors at the AGM, taking into consideration the composition and the need for progressive renewal of the Board.

One-third (or the number nearest one-third rounded upwards to the next whole number) of the Directors are required to retire from office at each AGM. All Directors (including the PCEO) are required to retire from office at least once every three years. Retiring Directors are eligible for re-election. All new Directors appointed by the Board during the financial year hold office only until the next AGM, but will be eligible for re-appointment at that AGM.

The Directors who are retiring by rotation under Article 90 of the Company's Constitution and standing for re-election at the forthcoming AGM are Mr Kerry Mok, Mr Achal Agarwal and Ms Vinita Bali. Mr Pier Luigi Sigismondi, Mr Mak Swee Wah, Ms Chan Lai Fung and Mr Irving Tan, who were appointed after the last AGM, will be retiring under Article 96 of the Company's Constitution and will be standing for re-election at the forthcoming AGM. The NC (after having taken into consideration the principles for the determination of the Board size and composition adopted by it and where applicable, the duration of their appointments to the Board) recommends the re-election of each of the Directors standing for re-election at the forthcoming AGM. The NC's recommendation, which has been endorsed by the Board, follows the NC's assessment of the Directors' competencies, commitment, contribution and performance (including attendance, preparedness, participation and candour at Board and Board Committee meetings) including, where applicable, his/her performance as an independent Director.

Remuneration and Human Resource Committee (RHRC)

The RHRC is chaired by Ms Euleen Goh, and its members are Mr Achal Agarwal and Mr Eng Aik Meng. All of the RHRC members (including the RHRC Chairman) are independent Directors.

Ms Euleen Goh will cease to be a Director and thereupon, as RHRC Chairman, with effect from the conclusion of the 2024 AGM. The Company will announce Ms Goh's replacement on the RHRC in due course.

The RHRC has access to expert advice from external consultants on remuneration. In FY2023-24, the RHRC sought views on market practices and trends from an external consultant, Aon Hewitt, on top management compensation. The RHRC reviewed the independence and objectivity of the external consultant and was satisfied that the external consultant has no relationships with the Company that would affect its independence and objectivity.

Key Responsibilities of the RHRC

The RHRC plays an important role in helping to ensure that we are able to attract, recruit, motivate and retain the best talents through competitive remuneration and progressive policies such as pay-for-performance so as to achieve the Group's goals, provide good stewardship and deliver sustainable shareholder value. Its key responsibilities include:

- Reviewing and recommending the remuneration framework of the Company (including compensation structure, bonus and employee share plans) to the Board for endorsement
- Reviewing and recommending the specific remuneration packages for each Director, the PCEO and each Relevant Key Management Personnel, to the Board for endorsement
- Overseeing the terms of appointment and scope of duties of the PCEO and other Relevant Key Management Personnel, including succession planning for their roles
- Evaluating on an annual basis, the achievement of performance targets for each Relevant Key Management Personnel as agreed at the beginning of the financial year with the Board and/or the PCEO, as the case may be, and recommending to the Board their respective total compensation
- Reviewing and approving compensation payable to the PCEO and the Relevant Key Management Personnel in the event of early termination of their contracts of services, if such payment is considered appropriate in the circumstances by the RHRC
- Advising on the organisation structure to drive the Company's strategic growth
- Reviewing succession planning for Relevant Key Management Personnel including the PCEO position and other selected key positions, with the PCEO, taking into account current needs and future strategic capabilities
- Reviewing talent development framework and processes to build deep bench strength and a strong talent pipeline
- Carrying out such other authorities and duties as provided in the Code

In discharging its responsibilities, the RHRC considers all aspects of remuneration and performs benchmarking exercises against comparable organisations, to ensure that all aspects of remuneration (including termination terms) are fair and competitive.

The RHRC's recommendations regarding remuneration of the PCEO, Relevant Key Management Personnel and the non-executive Directors have been submitted to and endorsed by the Board, which is ultimately accountable for all remuneration decisions.

RHRC Meetings

The RHRC is required by its terms of reference to meet at least twice each financial year, with additional meetings to be convened as and when required. The RHRC met five times in FY2023-24.

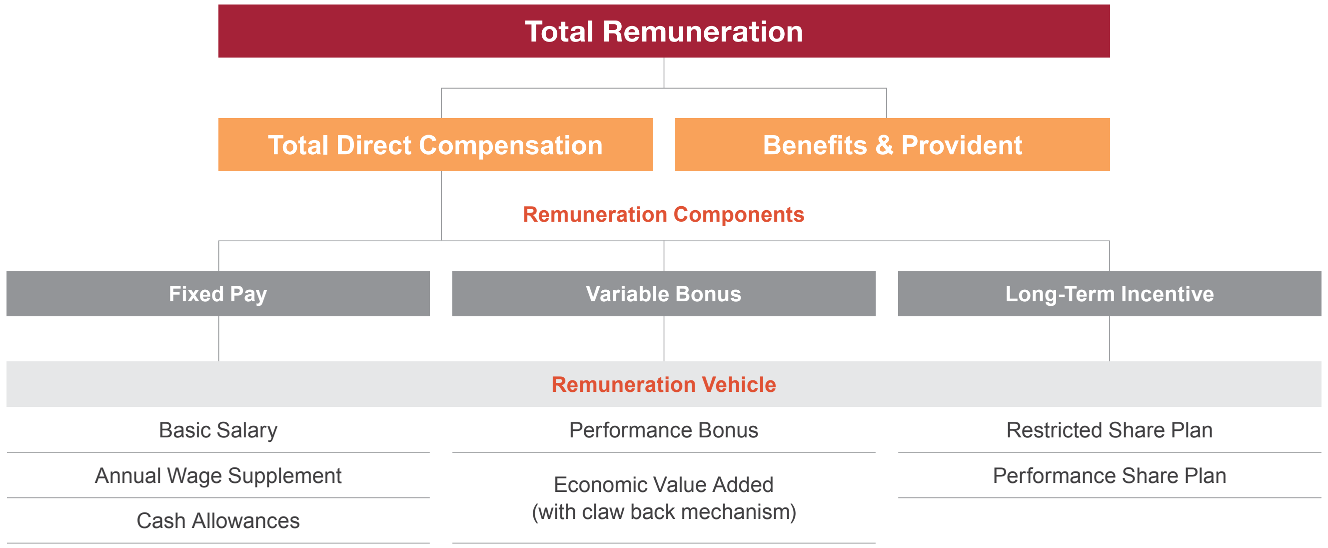
Key Executives' Remuneration

The Company's key executives' remuneration framework is designed to link a significant and appropriate proportion of rewards to the Company and individual performance, and takes into consideration the risk policies of the Company so as to be symmetric with risk outcomes and sensitive to the time horizon of risks. The framework aligns key executives' compensation with the interests of shareholders, balancing between short-term and long-term business interests and sustainability, as defined within the Company's strategy and risk policies.

Remuneration Mix for Key Executives

The principle of remuneration starts with the compensation mix – fixed pay, variable bonus and long-term incentive. Such direct compensation in cash or SATS shares, together with benefits and provident for social security where applicable, make up total remuneration.

Total direct compensation and its respective remuneration components' pay-out are symmetric with Company and individual performance over time. These remuneration components, in turn, consist of remuneration vehicles separately targeting and moderating pay-outs contingent on short and long term shareholder interest and business sustainability. The eligibility, granting and payout conditions for each vehicle differ. Overall remuneration components and types are summarised below:



Benchmarking and Target Pay Positioning

A target fixed pay for each key executive position is benchmarked to the market, ensuring market responsiveness to position job worth. Individuals are paid relative to their target pay position determined by their performance and competencies against expectations of the position. At the total direct compensation level, individuals' annualised pay-out is benchmarked to the market to reflect individual and Company performance. Benefit policies are benchmarked and assessed separately based on competitiveness and prevalence of provision in the market.

Fixed Pay

This consists of basic salary, annual wage supplement (AWS) and cash allowances.

Variable Bonus

This comprises Performance Bonus (PB) and Economic Value Added (EVA).

Corporate Governance Report

(a) Performance Bonus

PB rewards annual financial and operating achievements at the Group, Company and individual level. Target levels across each of the following Key Performance Indicators (KPI) are determined at the beginning of each financial year and are cascaded down. The following KPIs are allocated with equal weightage for non-managerial level employees:

- SATS Group PATMI
- Business Unit's Operating Profit
- Business Unit's Operational Performance Scorecard

The Group Balanced Scorecard and the Division Balanced Scorecard, which use the same metrics, are used for the measurement of achievement for key executives and managerial level employees respectively. The targets comprised in the Group Balanced Scorecard include Financial, Operational Excellence, Customer, People and Strategic Initiatives including Sustainability. The weightage of each of the respective targets is approved by the RHRC.

For Senior Management, an individual Performance Scorecard comprising the following quantitative and qualitative targets are used: Financial and Business, Customer, People and Strategic Transformation Objectives. In determining the payout quantum for each Relevant Key Management Personnel, the RHRC considers the overall actual achievement against Group, business unit and individual performance scorecard.

After the close of the financial year, the RHRC reviews and approves a bonus pool that is commensurate with the achievements against targets, taking into consideration exogenous factors such as the changing business environment, regulatory landscape and industry trends.

For individuals in control functions, performance targets are principally based on the achievement of the objectives of their functions.

(b) Economic Value Added-Based Incentive Plan (EBIP)

The EBIP rewards for sustainable shareholder value creation over the medium term achieved by growing profits, deploying capital efficiently and managing the risk profile and risk time horizon of the business. A portion of the annual performance-related bonus of Senior Management and key executives is tied to the EVA achieved by the Group in the year. Under the plan, one-third of the accumulated EBIP bonus, comprising the EBIP declared in the financial year and the balance of such bonus brought forward from preceding years (which comprises multiple years of incentive dollar retained in the EVA bank), is paid out in cash each year. The remaining two-thirds are carried forward in the individual executive's EBIP account and such amount is at risk as it is subject to performance-related clawback and could be reduced in the event of EVA underperformance in future years. This mechanism encourages key executives to work for sustainable EVA generation and to adopt strategies that are aligned with the long-term interests of the Group.

The rules of the EBIP are subject to review by the RHRC, which has the discretion, under the authority of the Board, to amend the rules where appropriate and relevant to the business conditions.

Long-Term Incentives

Long-term incentives reward for long-term shareholder value creation (contingent on Group and Company financial and operating achievements, individual performance level, Return on Invested Capital (ROIC), Total Shareholder Returns (TSR) and Carbon Reduction). SATS provisionally grants share awards to employees of managerial grade and above, including Senior Management and key executives, via the SATS Restricted Share Plan and the SATS Performance Share Plan. When performance conditions are met, vested share awards lead to employees becoming shareholders.

(a) The SATS Restricted Share Plan (SATS RSP)

The SATS RSP is an incentive plan for management level employees. Under the plan, awards typically involve a specified number of shares being granted at the end of the performance cycle which is dependent on individual position level within the Company, and the extent of the achievement of the financial and operating targets at the Group, Company and individual performance levels.

Performance period and performance conditions are typically required for the financial year preceding each tranche of payment. The first tranche of the award will vest immediately after the end of the performance period and the remaining balance will vest equally over the next two financial years to encourage the retention of such employees.

Grants of fully paid shares under the SATS RSP may also be made to the non-executive Directors in lieu of part of the cash amount of their Directors' remuneration. Such grants will have no performance conditions attached and no vesting periods imposed.

(b) The SATS Performance Share Plan (SATS PSP)

Under the SATS PSP, an initial award is made in the form of a right to receive shares, provided TSR and other performance targets are met in the future. Annual awards are made based on performance of key senior executives. The final award, which can vary between 0-150% of the initial award, depends on stretched value-aligned performance targets. They are based on ROIC (45%), Absolute TSR (40%) and Carbon Reduction (15%) targets being met over the performance period of three financial years.

In FY2023-24, a total of 5,074,600 shares and 570,000 shares have been granted under the SATS RSP and SATS PSP respectively.

Details such as the plan description, performance conditions, vesting conditions and payouts under the SATS RSP and SATS PSP are set out in the Annexure below, and also in the Share-Based Payment section of the "Directors' Statement" and in the "Notes to the Financial Statements" in the "Financials" section of this Annual Report.

Shareholders' approval is being sought for the proposed extension of, and alterations to, the SATS RSP and the SATS PSP at the 2024 AGM. Please refer to the 2024 Letter to Shareholders for more details.

No termination, retirement or post-employment benefits were granted to Directors or the PCEO during FY2023-24.

Details of the compensation paid or accrued to the PCEO and the top five Key Management Personnel (excluding the PCEO) as at 31 March 2024, for FY2023-24 are set out below:

President and Chief Executive Officer (PCEO)	Salary[1]	Bonuses[2]	Benefits	Share Awards Vested During FY2023-24	Total
Kerry Mok Tee Heong	**S$916,352** 38%	**S$896,702** 37%	**S$74,278** 3%	**S$537,728**[3] 22%	**S$2,425,061** 100%

Top Five Key Management Personnel (excluding PCEO)	Remuneration Band	Salary[1] (%)	Bonuses[2] (%)	Benefits (%)	Share Awards Vested During FY2023-24 (%)	Total (%)
Michael Simpson	S$2,000,001 to S$2,250,000	42	58	0	0	100
John Batten	S$1,250,001 to S$1,500,000	46	54	0	0	100
Bob Chi Cheng Bock	S$1,250,001 to S$1,500,000	37	35	5	23[3]	100
Manfred Seah Kok Khong	S$1,250,001 to S$1,500,000	37	34	3	26[3]	100
Stanley Goh Yuen Por	S$750,001 to S$1,000,000	66	27	7	0	100

Notes:

1 Other than for Michael Simpson and John Batten, salary includes Annual Wage Supplement and employer's CPF for the year ended 31 March 2024.

2 Other than for Michael Simpson and John Batten, variable bonus comprises of both actual performance bonus and economic value added (EVA) bonus in respect of the Company's and the individual's performance for FY2023-24.

3 Represents aggregate value of shares that vested in accordance with the terms of the SATS RSP and SATS PSP during FY2023-24.

4 A Key Management Personnel, Donny Cheah Chi Choy, left the SATS Group with effect from 1 July 2023. The pro-rated amount of his compensation for FY2023-24 was within the remuneration band of S$500,000 to S$750,000 (Breakdown: Salary (51%), Bonuses (8%), Benefits (9%) and Share Awards Vested During FY2023-24 (32%)).

The aggregate total compensation paid to the top five Key Management Personnel (who are neither Directors nor the PCEO) as at 31 March 2024 and Donny Cheah Chi Choy for FY2023-24 was S$7,629,386.

No immediate family members of any Director or of the PCEO were employed by the Company or any of its related companies during FY2023-24.

Corporate Governance Report

Learning and Development Programmes for Employees

Learning and development is part of our DNA at SATS. We have anchored training and development to build a performance-driven culture centred around SATS' five people values: Safety, Customer Focus, Respect, Teamwork and Excellence. We put great emphasis on people development because we believe that a workforce that is well-trained with the necessary competencies and has the adaptability to change is the critical success factor to the growth of the business. The objectives are to harness the potential of its people and to bring out the best in them. To do this, we seek to enhance employee experience and engagement by strengthening their sense of belonging to the organisation, and maximising employee productivity to help SATS' businesses grow and thrive. We want to create a purpose-driven environment for our people.

At SATS, we believe that it is only when we develop each individual to do their jobs in a committed and purposeful manner, we can then have the desired business outcome. We recognise that our leaders set the tone of the SATS culture, which has a great impact on our business performance. Hence, we have refreshed and launched a new leadership framework. A series of leadership transition programmes was designed and deployed to front line leaders, leaders of team, leaders of community and strategic leaders. This series of leadership programmes is transition-focused, to equip our employees as they take on leadership roles, as the quality of leadership is an important aspect of our employee value proposition and will have a direct impact to our staff engagement and retention.

Besides the training for our leaders, we also have a "Leading Self" programme for individual contributors, and an Employee Development Programme for our general employees. On top of technical skill training, the Employee Development Programme, which consists of e-learning modules and classroom training, focuses on soft skills to develop each individual.

As SATS grows its businesses locally and globally, we recognise that corporate governance remains a fundamental and core aspect to focus on to ensure that SATS continues to operate in a responsible and ethical manner. In line with this, SATS will continue to craft and update mandatory learning programmes on topics pertaining to corporate governance, such as legal regulations, cybersecurity, people management etc. SATS employees undergo relevant training and subsequent refresher trainings to ensure that understanding and adherence to regulations is embedded in all job grades and at all times.

Learning and development is essential in ensuring that employees have the necessary knowledge, skills, and abilities to perform their jobs effectively and adapt to changing business needs. We believe that when the organisation is focused on people development, we can then truly achieve our vision of becoming the market leader in delighting customers with innovative food and seamless connections, as well as fulfil our purpose to feed and connect communities. More information on the Company's purpose, vision and core values, can be found on our corporate website at the URL https://www.sats.com.sg/about-sats/who-we-are.

Talent and Succession Management

SATS firmly believes that our global talent pool is one of our most important assets and competitive advantages. We have in place talent management and succession planning practices for the heritage SATS and WFS organisations. To maximise the benefits of our global footprint, we have put in place plans to develop a robust global talent management framework. This framework, co-created by talent partners and business representatives across the three regions in which we operate, will define our talent philosophy, strategy and globally consistent practices for identifying, developing and deploying talent.

The talent review and succession management exercises for both heritage organisations were recently concluded. Deliberate efforts are now being invested to develop identified potential successors and high-performing employees. In November 2023, we launched Elevate, a global talent experience programme where high-potential employees will undertake a short-term cross-geography assignment with specific business goals and outcomes. This is an exciting and meaningful talent development opportunity for our global talent to share and learn best practices in a cross-cultural setting.

There are also plans in place to review and redesign our structured talent development programme to make it relevant and scalable for a global talent pool. The revamped programme will ensure that our identified successors and talent will have opportunities to broaden their business exposure and deepen their technical and leadership capabilities. All these efforts will not only cement SATS as a global leader in our industry, but also go a long way in advancing our ambition to be a global employer of choice.

Safety, Sustainability and Risk Committee (SSRC)

The Board Risk and Safety Committee (BRSC) has been renamed as the Safety, Sustainability and Risk Committee to better reflect the committee's expanded scope, now encompassing the Company's sustainability matters.

The SSRC is chaired by Dr Detlef Trefzger, and its members are Ms Chan Lai Fung, Mr Chia Kim Huat, Mrs Deborah Ong and Mr Pier Luigi Sigismondi. All of the SSRC members (including the SSRC Chairman) are independent Directors.

Dr Detlef Trefzger will cease to be a Director and thereupon, as SSRC Chairman, with effect from the conclusion of the 2024 AGM. The Company will announce Dr Trefzger's replacement on the SSRC in due course.

Key Responsibilities of the SSRC

The SSRC oversees and monitors the adequacy and effectiveness of the Group's[3] risk and safety management systems and programmes and also the Group's implementation of its sustainability strategy. Its key responsibilities include providing guidance on:

- The activities of the SATS Group Safety, Sustainability and Risk Management Committee (SSRMC) chaired by the PCEO, which is responsible for putting in place risk management processes and methodologies, identifying risks, implementing mitigation plans, and updating risk registers and profiles
- The Group's risk areas related to strategic, financial, operational, technology (including cybersecurity), and legal and regulatory compliance considerations
- The adequacy of resources for the risk management functions and whether they have an appropriate standing within the Group
- The risk management policies and practices as well as the types and level of risks faced by the Group
- The adequacy of proposed actions in response to any material breaches of risk limits
- In conjunction with the AC, the Board's Risk Management and Internal Controls Statement
- The Group's risk and safety management system and programmes for effectiveness and compliance with regulatory requirements and industry best practices for food safety, workplace safety and health
- Adequacy of the reporting on safety, initiation of remedial actions and assessment of the level of compliance with the safety management plan
- Food safety and accident investigation findings and implementation of recommendations by Management
- Sustainability-related matters to ensure alignment with SATS' strategic goals and sustainability commitments and compliance with applicable regulatory requirements
- The development and execution of SATS' overall ESG strategy to enable Management to explore opportunities for sustainable growth

SSRC Meetings

The SSRC is required by its terms of reference to meet at least four times a year. The SSRC met four times in FY2023-24, including a joint AC and SSRC meeting.

Risk Management and Internal Controls Statement

The Board is responsible for risk governance, and for determining the Company's level of risk tolerance and risk appetite. It determines the nature and extent of the significant risks which the Group is willing to take to achieve its strategic and business objectives. The Board oversees, monitors and provides guidance at least annually on the adequacy and effectiveness of the Group's internal controls and risk management system implemented by Management to address risks. This system aims to provide reasonable assurance to investors regarding:

- Safeguarding of the Group's assets against unauthorised or improper use or disposal
- Protection against material misstatements or losses
- Maintenance of proper accounting records
- Reliability of financial information used within the business and for publication
- Compliance with appropriate legislations, regulations (including requirements under the listing rules of the SGX-ST) and adoption of applicable corporate governance best practices
- Identification and management of business risks

[3] The WFS Advisory Board reports to the Board on all WFS matters, including risk and safety management.

Corporate Governance Report

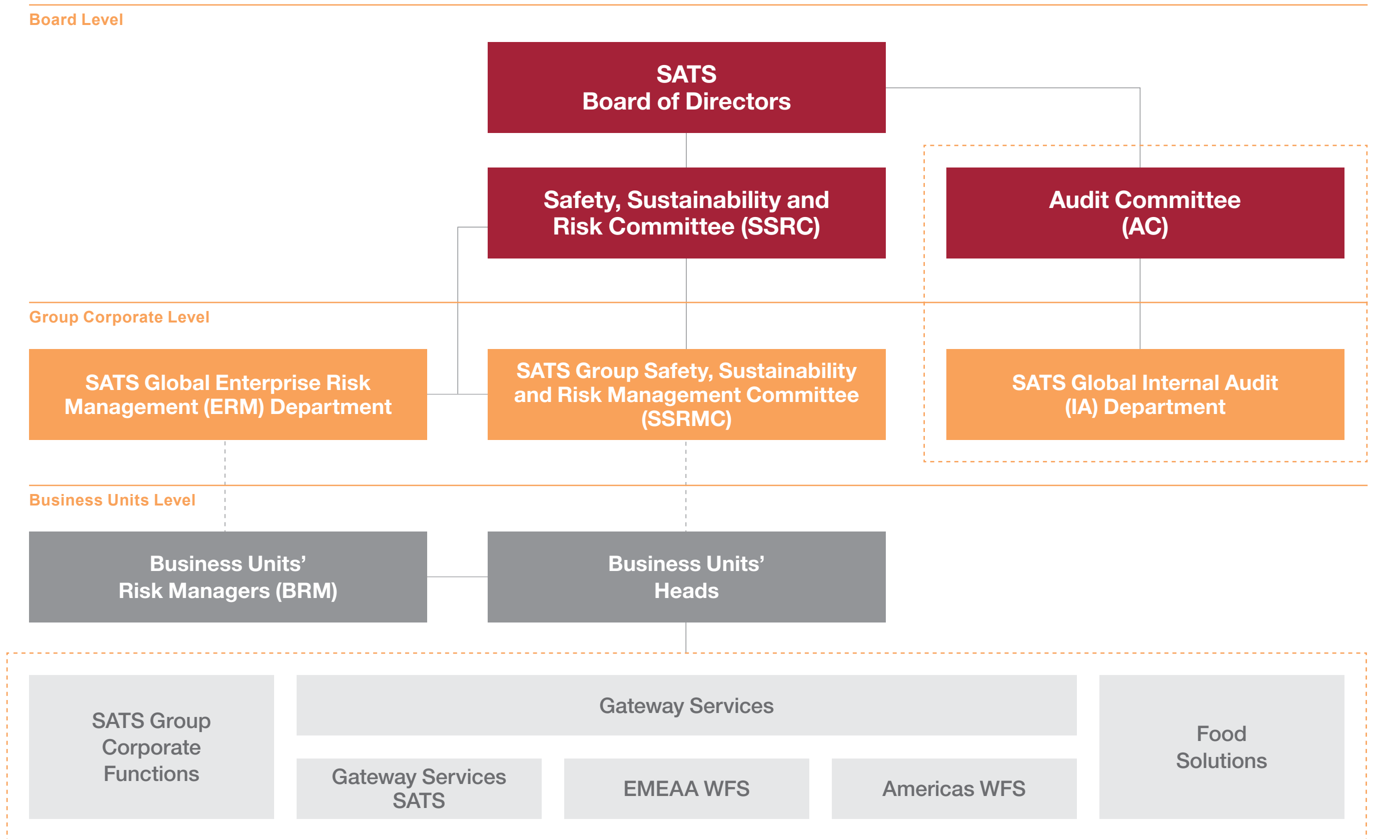
Risk Management Organisational Structure

The SSRC assists the Board in overseeing the adequacy and effectiveness of the safety and risk management systems. Under its oversight, the safety and risk management programme is executed with an integrated view of the organisation and its needs in mind.

The SSRC is supported by the SSRMC. The SSRC monitors the activities of the SSRMC, including regular risk management reports, initiatives, processes and exercises. The SSRMC meets on a quarterly basis to review the risk management system and mitigation measures.

The Group Enterprise Risk Management (ERM) Department coordinates and facilitates the risk management processes within the Group. It provides support to the SSRMC in carrying out its functions.

The Group risk management reporting structure is as depicted in the diagram below.



Risk Management Overview

At SATS, we understand that risks are an inevitable part of doing business and that effectively identifying, assessing and managing risks is integral to allowing us to execute our strategic goals and objectives. The ability to embed and link risk closely to strategy and performance allows us to create a structured platform that drives the right behaviours, culture and mindset to achieve informed decision making for value creation and sustainable growth for the organisation.

We have in place a comprehensive ERM Framework that provides a structured approach and process to risk management including the monitoring of risk performance of key risk areas through key risk indicators. We are currently performing an overall review and refresh of our ERM Framework and approach to ensure that it remains relevant, effective and practical.

Management has identified five main risk focus areas – Strategic, Financial, Operational, Compliance and Technology. The Board, including its various committees, oversees the executive actions taken by Management for the following key risks under the risk focus areas:

Key Risks	What are the risks?
Strategic	
Market Economics & Competition	Risk of erosion of market share, irrelevancy of business model or profitability pressures arising from: • Susceptibility to market disruptions from macroeconomic shifts, geopolitical tensions and political instability; • Inability to retain competitive advantage and market leadership due to lack of cost discipline, failure to manage key customers and stakeholders' expectations and/or failure to innovate to capture new growth opportunities; and/or • Overreliance on key sectors or geographies resulting in concentration risk.
Talent & Organisational Development	Risk of Inability to attract and retain talent to support the business due to: • Tight labour market conditions, poor workplace culture and/or inadequate compensation and benefits as compared to the industry peers/cross-sector competition; • Inadequate talent development program and career development pathways; and/or • Lack of quality bench strength and key succession planning to cater for attrition or ageing workforce.
Sustainability (ESG)	Risk of ESG impacts on our investments, projects and operations such as: • Failure to consider and mitigate climate related physical and transition risks; • Inadequately pricing or capturing ESG related risks; and/or • Failure to implement ESG related disclosures that are in line with regulatory requirements.
Financial	
Financial Resiliency and Controls	Risk of inability to maintain investment grade rating, access to capital markets funding and poor investor's confidence due to: • Weak balance sheet, inadequate liquidity and cash flow, inefficient capital structure and/or poor financial ratios; • Poor management of market related risks (FX, commodity prices, interest rates, etc.); • Overexposed credit risks from key customers and counterparties resulting in them not meeting financial obligations as they fall due; • Breaches of key financial and loan covenants; and/or • Weak internal controls over financial reporting resulting in inaccurate financials or financial misstatements.
Operational	
Operational & Business Process Management	Risk of disruption to business operations/inefficient business processes and sub-optimal productivity arising from: • Operational lapses such as unplanned facilities/plant shutdowns or reduced availability due to poor machinery and equipment maintenance, non-compliance with SOPs, manpower/workforce shortages and/or labour strikes, etc.; • Poor project management and execution resulting in delays, cost overruns, variation orders and quality issues; and/or • Inability to synergise and integrate business processes across sectors and geographies.
Supply Chain & Third-Party Risks	Risk of reputational and financial related risks and/or operational disruptions arising from outsourcing or use of third-parties associates, vendors and suppliers: • Lack of proper onboarding and due diligence process for third party associates and vendors/suppliers; • Poor performance and contract management and enforcement such as inadequate legal safeguards in contractual arrangements; • Misalignment of corporate values and ethics requirements; • Weak business process and internal controls of third parties resulting in data breaches or operational lapses; and/or • Supply chain disruptions (both material unavailability or quality issues).

Corporate Governance Report

Key Risks	What are the risks?
Operational (cont'd)	
Health, Safety & Security	Risk of health and safety incidents such as food safety and aviation related incidents, disease outbreaks and pandemics, mental health related issues etc. leading to loss time injuries and fatalities due to a less than desirable Health, Safety and Environment (HSE) culture and mindset and lack of health and safety related trainings and awareness; and/or Risk of physical security incidents such as unauthorised access, terrorism and sabotage at operations and project sites due to poor security measures, trainings and awareness.
Business Continuity	Unpreparedness in responding to crisis related events such as fire, natural calamities, pandemics or major business disruptions that impede the ability to continue business operations or impact lives and assets. This could be due to: • A lack of robust crisis response and business continuity/recovery plans, including training and exercises; • A lack of structured and timely escalation procedures; and/or • Poor insurance strategy, inadequate insurance coverage and/or poor insurance response and lengthy claims processes.
Compliance	
Legal & Regulatory Compliance	Risk of non-compliances with applicable laws and regulations resulting in fines, stop-work orders, suspension or termination of operating licenses/permits. This could be due to: • Unfamiliarity with overseas markets, volatile political conditions or unclear laws and regulations; • Increasing cost of compliance and inability to react to with rapid and complex regulatory changes; • Weak or poor understanding of the organisation's compliance management system; and/or • Complexity and adequacy of addressing compliance requirements of global sanctions laws/regulations.
Fraud, Corruption & Bribery	Intentional act to obtain an unfair advantage or unlawful gain. This could arise from the following: • Offering or accepting any payment, gift, favour or advantage as an inducement to (i) advance a business advantage, (ii) avoid taking an official action, (iii) gain an improper business advantage, or (iv) influence business outcomes; and/or • Any dishonest or fraudulent behaviours or activities that undermine the integrity of the organisation including the misappropriation of assets and intentional misstatements of financial statements.
Technology	
Cyber & Data Security	Risk of breach of privacy, loss of sensitive and confidential information, ransomware and disruption to infrastructure from cyber-attacks. This is due to: • Increased sophistication in methods (direct hacking, phishing, etc.) deployed by threat actors riding on accelerated digitisation and generative AI, remote working and digital connectivity; • Weak cyber and data security infrastructure, policy and procedures and lack of training and awareness; and/or • Lack of an established data governance framework and adequate communications and training to employees.
Technological shifts and advancement	Risk of not innovating and or keeping pace with technological advancements and disruptions as we transit into a physical-digital environment which may render our services, systems or processes becoming inefficient, obsolete or uncompetitive.

Strategic
Current and future portfolio considerations form a key aspect of SATS' strategic risk. SATS regularly monitors overseas developments, sensing growth in new markets and seizing investment opportunities when they arise. Over the course of such current and future investments, factors such as customer and country concentration or exposure to higher-risk countries have to be accounted for. The Group is also acutely aware of the impact of an evolving and often volatile macroeconomic environment including heightened geopolitical tensions, rising interest rates and sticky inflation.

The Group also concerns itself with having the right mix of talent and capital for future success. SATS believes that employee empowerment leads to higher productivity and improved services for customers. Thus, many initiatives have been launched to provide employees with more opportunities for growth, allowing them to realise their career aspirations with SATS.

Contributing to environmental responsibility and improved sustainability, the Group adopts a technology-driven, people-led approach to create greater value for our stakeholders. This includes enhancing SATS' operational efficiencies and reducing carbon footprint and waste while shifting to renewable and more sustainable sources of energy, water and raw materials to lessen the impact that the business can have on the environment. More information can be found in the Group's sustainability report

Financial
SATS recognises the need for a comprehensive financial risk management system, given the globalised and diversified nature of the Group's businesses. SATS' overall philosophy to financial risk management is to manage the effects of economic uncertainty on the Group's financial performance, with its policies subject to regular Board reviews. Currently, foreign currency, interest rate and credit and liquidity risks form the main areas of concern for SATS' financial risk management.

The Group has its own approval limits and procedures for every banking and finance transaction, having regard to the nature of the transaction concerned. All banking and finance transactions undertaken by the Group must be properly authorised, including the opening of new bank accounts and the taking up of any proposed credit facilities and the Group's key insurance coverage, the adequacy of which is reviewed on a yearly basis. These approval limits and procedures are updated from time to time and are available on request to the bankers and lenders to the Group.

More information on these risk areas can be found in the "Notes to the Financial Statements" in the "Financials" section of this Annual Report.

Tax Strategy and Governance Framework
In line with SATS' Corporate Governance principles and core values, SATS adheres to the highest standard of integrity in managing its tax affairs and in complying with applicable local tax laws. SATS exercises due care and activates prescribed protocols in tax risk management and also embraces a transparent posture in meeting its tax reporting obligations.

Compliance with Tax Law
As SATS continues to expand its global footprint, it is fully committed to complying with the tax law and regulations where SATS has established a taxable presence or where a tax reporting obligation arises according to the local law.

SATS exercises good faith effort in meeting all tax filings and payment obligations on a timely basis. Operating in the current global business landscape has become increasingly dynamic and challenging where there are stricter regulatory requirements in tax reporting and tax transparency. SATS commits to being a responsible taxpayer and remains vigilant in meeting these requirements. More importantly, SATS does not condone the behaviour of profit shifting with a tax avoidance intent to minimise its tax obligation and maintains the principle of paying its fair share of taxes in all relevant countries where it has a tax filing obligation.

Where relevant, business or legal entity reorganisation plans are led by valid commercial reasons that support SATS' business strategy. In the event that these business reorganisation plans may give rise to tax consequences, appropriate external tax advice will be sought to address the relevant risk and potential financial impact that may arise from these business reorganisation plans.

Governance for Managing Tax Risk
SATS' tax risk and governance framework conforms to the principles under its Corporate Governance framework. SATS' Board has fully embraced the Corporate Governance principles since their adoption. Appropriate delegation of authority has been put in place to set up an adequate tax governance and control framework. The tax governance and control framework is fully endorsed by the Board and is designed to safeguard the Group from material financial or reputational risks.

Tax laws and regulations are constantly evolving and becoming more complex. The heightening demands in tax reporting obligations significantly increases the risk of unintentional non-compliance. SATS is committed to act responsibly and with integrity in relation to the management of its tax affairs.

Corporate Governance Report

SATS supports competitive business growth without compromising the integrity of its tax risk and governance principles. Differences in interpretation and/or enforcement of tax laws, rules and regulations may create tax risks, which SATS will proactively seek to identify, evaluate, manage and monitor through compliance, disclosure and an adequate control framework. Any significant tax issues will be channelled to the Senior Management and/or the Board according to the established risk management protocols and the delegation of authority framework.

The level of tax risk that SATS accepts is aligned with its business strategy, core values, corporate social responsibility and reputation. SATS seeks the counsel of external advisors, when relevant, to assess the tax risks associated with the interpretation of tax laws, rules or regulations. Care is duly exercised in the assessment of tax risks based on the available facts.

Relationship with Tax Authorities
SATS is committed to nurture a collaborative relationship with the tax authorities and to exercise due care and professionalism in responding to questions or queries raised by the respective tax authorities. We seek appropriate opportunities to develop mutually respectful relationships with tax authorities based on transparency and trust. Where relevant, SATS intends to work with relevant authorities and legislators to engage in discussions, obtain advance rulings on certain transactions or seek clarity around any points of uncertainty arising from the interpretation or application of tax laws, rules and regulations.

Operational

Given the critical nature of SATS' operations in the aviation sector, the Group's operational risks include the potential for adverse exogenous events, trade sanctions, terrorism and workplace and food safety incidents. SATS aims to reduce these risks through inculcating a culture of vigilance and resilience, cybersecurity, food hygiene and mindfulness for workplace safety at all organisational levels. Risk managers within all business units have also been appointed to efficiently consolidate and streamline the risk management processes across the various business units.

SATS also conducts regular audits across all its operational domains to ensure that stringent safety and quality standards are met. These include internationally recognised certifications such as ISO 45001, ISO 9001, ISO 14001, ISO 22000 and HACCP. More information on such accreditation can be found in the "Safety" section of the Group's sustainability report. SATS has also actively participated in the SGSecure@Workplaces programme, having been registered under the Singapore Police Force and Singapore Civil Defence Force's Safety and Security Watch Group scheme.

SATS is actively monitoring and mitigating the first and second order risks created by the on-going war between Russia and Ukraine as well as the Israel-Hamas conflict in the Middle East, including global supply chain disruptions, increased food and energy prices, and resultant inflationary pressures. Management has determined that the direct impact of these war/conflict events in terms of lost business, bad debt provisions, etc. has not been material but will continue to actively monitor the situation.

Compliance

Operating in a highly regulated environment and owing to the strength of the SATS brand as a major institution in cargo, ground handling and catering, SATS is mindful of the importance of developing sustainable work practices and managing reputational and compliance risks, including fraud. SATS has in place an ethics and compliance program and has implemented a comprehensive set of procedures to ensure that legal and industry regulations are monitored and complied with, thus mitigating as far as practicable the occurrence and impact of these risks as they arise.

The Board and Management also actively monitors on a continuous basis, the Group's exposure or link to sanctions-related risks which are relevant and material to SATS' operations as an enlarged group following the acquisition of WFS. The Group has put in place a sanctions program that entails (i) a sanctions policy and operations procedure to address and mitigate known and potential sanctions risks, (ii) enhancement of proprietary software screening tools to detect, report and block sanctioned activity in our cargo operations, (iii) the use of third party vendor tools to screen for sanctions-related risks amongst other compliance risks, and (iv) providing guidance to our businesses on our approach to contracts with our counterparties. Neither SATS, its subsidiaries nor its associated companies are presently on any sanctions list. Although the Group may have exposure to sanctions-related risks in operations in which it does not have management or operational control (e.g., via its associated companies or joint ventures), the Board and Management have assessed that such exposure does not materially change the risk profile of the Group and does not materially impact the Group's operations.

Technology

SATS recognises that cyber and data security risks have become a key concern for the Group as we continue to embrace digital transformation and leverage advanced technology solutions to drive business growth and optimise efficiencies. SATS is committed to implementing a robust cybersecurity risk management strategy and data governance framework to protect against constantly advancing and evolving cyber threats as well as data security related risks.

SATS continues to prioritise and maintain a strong focus on cybersecurity management, including security governance in the operational technology (OT) domain. OT refers to hardware and software used to monitor and control physical processes and assets, such as sensors, controllers and closed-circuit televisions. SATS' Information Security policy and its supporting standards and guidelines are aligned with ISO27001. The SATS Cyber Security Management Framework is designed to protect, detect and respond to cybersecurity threats, and strengthen SATS' cyber resilience.

Cyber Security Management Framework

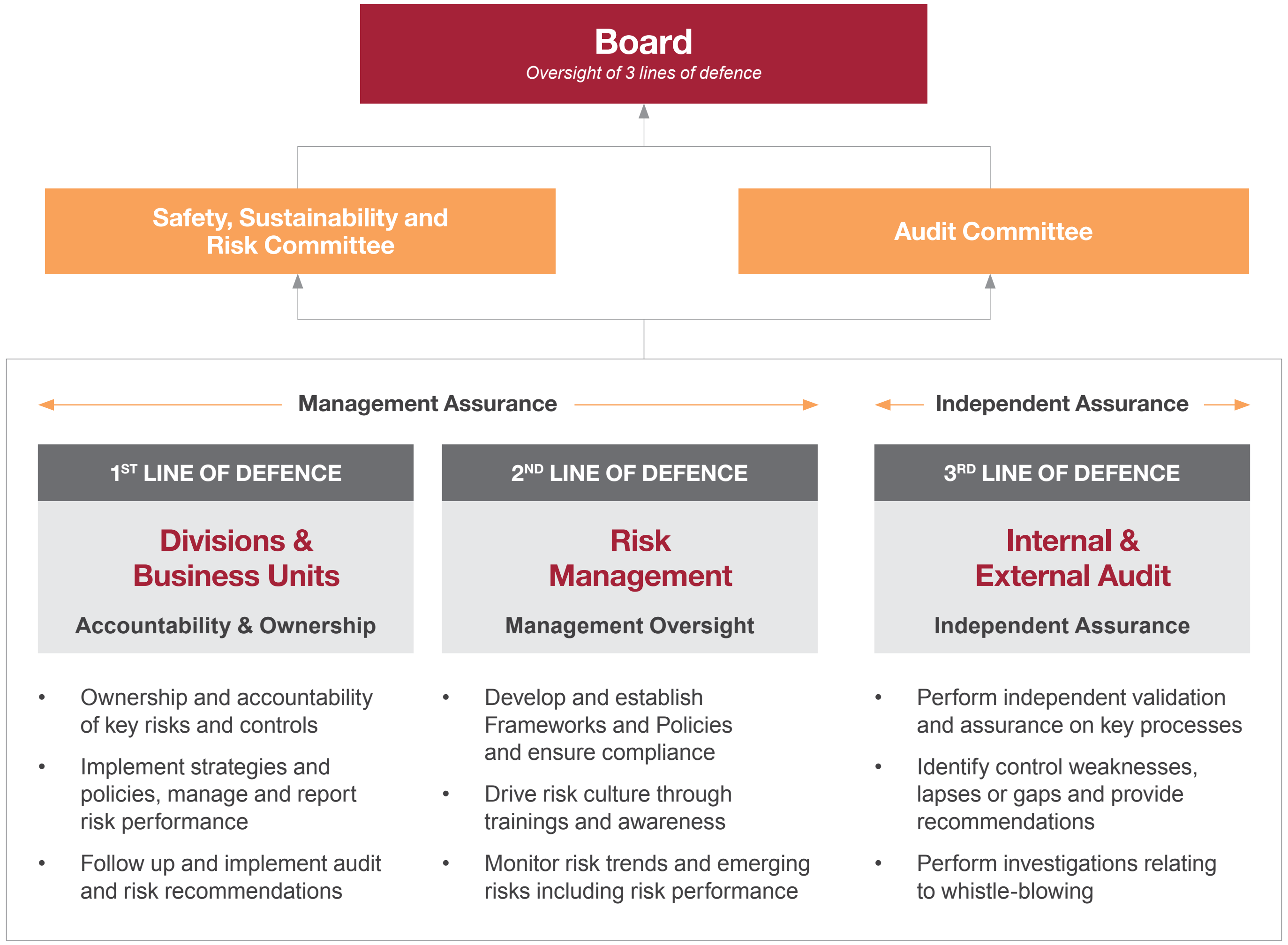
Defence-in-Depth	Attacker's Perspective	Cybersecure Culture	Collective Defence
Deploying multiple layers of security measures to protect against different types of attacks, reduce the likelihood of successful attacks and minimise the impact of any breaches.	**Looking at SATS' systems and networks from the point of view of attackers to understand how they might try to exploit SATS' systems and take proactive steps to prevent or mitigate those attacks.**	**Promoting safe and responsible behaviour when using SATS' IT assets and empowering employees to spot and report cyberattacks promptly.**	**Working together within a trusted community by collaborating and sharing insights, best practices, and resources to improve our overall security posture and better defend against cyber threats.**
Standardised System Criticality baselines: 1. Critical 2. Essential 3. Standard	Continuous attack surface monitoring	Security awareness programme	Threat insight sharing within trusted community (Temasek Dome)
	External penetration tests programme	Phishing simulations	
Cyber Maturity assessment based on the Cybersecurity Framework by the National Institute of Standards and Technology at the US Department of Commerce	System and infrastructure vulnerability assessments	Cyber tabletop exercises	Knowledge sharing and collaboration with the Singapore aviation ecosystem
	Red-team exercises	Incident reporting reward programme	
Multi-layer security controls: • Firewalls • Intrusion Prevention System • Secure Internet Access • Email Protection • Network Segmentation • Mobile Security • Endpoint Protection • Cloud Security • Infrastructure Security • Application Security • Data Encryption • Multi-Factor Authentication • Zero Trust	Technical Incident Response rehearsals	Acceptable Use Policy	Active community involvement and partnership
	Cyber Threat Intelligence	Data Privacy Policy	

Following the acquisition of WFS, SATS has expanded its cybersecurity mandate to cover the enlarged SATS Group globally, which includes its subsidiaries and stations in various regions. This expansion also involves integration of existing cybersecurity teams from SATS and WFS into a single global cybersecurity team. In line with our commitment to transparency and accountability, cybersecurity reports are presented to the SSRMC and SSRC on a quarterly basis.

Corporate Governance Report

Management Controls and Assurance Framework

The Group's Management Controls and Assurance Framework (Framework) comprises three levels of defence to ensure the adequacy and effectiveness of the Group's system of risk management and internal controls.



Board's Oversight

The Board of Directors, supported by the AC and the SSRC, oversees the Group's systems of internal controls and risk management. The Board required and has received assurance from the PCEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and financial position.

Additionally, the PCEO and relevant business heads who are responsible have provided the Board assurances on the adequacy and effectiveness of the Group's risk management and internal control systems, addressing financial, operational, compliance and technology risks.

The Board, AC and SSRC have been focused on identifying and reviewing key risk areas, and ensuring adequate measures have been put in place to contain and/or manage the risks. The AC regularly reviews the Group's financials, projections, and its finance watchlist, which provides visibility on higher risk areas such as accounts receivable, carrying value of investments, asset obsolescence and funding requirements. Key financial ratios and financial covenants are also tracked and presented to alert the Board, AC and SSRC on the financial condition of the Group.

Material updates and risks are highlighted to the SSRC at its quarterly meetings as well as through the monthly risk reports. The SSRC is kept abreast of the financial impact of significant risks (if any) and quarterly reports on the financial forecast are provided to the SSRC. The Key Risk Indicators were enhanced to include tracking of cashflow forecasts as well as compliance with covenants.

1st Line of Defence – Accountability and Ownership

Under the 1st Line of Defence, the relevant businesses and divisions are responsible for the identification and mitigation of the risks in their respective business. Management ensures good corporate governance through the implementation and management of policies and procedures relevant to the Group's business environment. These policies and procedures govern financial, operational, information technology and compliance matters. Employees are also guided by SATS' core values and are expected to strictly comply with our Code of Conduct.

The following structure and policies and procedures are in place:

- Written terms of reference for Management and Board Committees
- Defined roles and responsibilities, and authorisation levels for all aspects of the businesses that are set out in the Financial and Operating Approval Authority Matrix, including guidelines on matters requiring the Board's approval
- Appropriate management organisational structures
- A planned and coordinated budgeting process where operating units prepare budgets for the coming year that are to be approved by both Management and the Board
- Policies that set out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. These cover areas such as workplace health and safety, conduct in the workplace, safeguarding of the Company's assets (including proprietary information and intellectual property), confidentiality, conflict of interest, and non-solicitation of customers and employees

2nd Line of Defence – Oversight

Under the 2nd Line of Defence, management assurance frameworks are established to provide the necessary oversight and governance over the activities undertaken by the respective divisions and business units. The ERM framework has been integrated with Strategy and Performance as the Group recognises the importance of connecting strategic decision-making and entity performance with risk management to accelerate the Group's growth and enhance performance.

The risk management system focuses on those key risks which may have a significant influence on the Group's assets, finances and profits, and those that may potentially endanger the continued existence of the Group's companies. The procedures adopted facilitate the early detection and control of risks. The operational business units meet regularly to review risk and control matters, including ascertaining that there are effective follow-up procedures. The outcome and status of such matters are reported regularly to the SSRC and the AC for review and information.

As part of ensuring that the risk profile of the group remains relevant and updated, the Group has carried out reviews of its key risk profiles, with preventive and mitigating control actions further refined and developed for adequacy and effectiveness.

The ongoing process to identify, assess, monitor and manage business risks that can impede the achievement of the Group's objectives is continuously reviewed for improvements. The key risks are assessed by their probability, consequence and velocity on a predetermined scale, and then ranked accordingly. The risk management process, which is in place throughout the year and up to the date of this statement, is firmly embedded within the Group's business operations and is every employee's responsibility.

3rd Line of Defence – Independent Assurance

Under the 3rd Line of Defence, both internal and external audit provides the Board and SATS' Senior Management with independent assurance on the adequacy and effectiveness of the system of internal controls, risk management and governance. Specifically, external audit also considers the internal controls relevant to SATS' preparation of financial statements and performs tests on such internal controls, where they are deemed to be necessary.

Written assurances and representations on the adequacy and effectiveness of the risk management and internal control systems have also been obtained from all relevant Key Management Personnel for the entities and functions under their charge.

The external auditors will highlight any material internal control weaknesses that have come to their attention in the course of their statutory audit. Any significant non-compliance or failures in internal controls and recommendations for improvement are reported to the AC.

The details of the Group's independent Internal Audit function are set out in the "Audit Committee" sub-section of this Corporate Governance Report.

Conclusion

Taking into account the views of the AC and SSRC 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 Management, the reviews conducted by the internal and external auditors and the documented governance assurance, the Board is of the opinion that the systems of internal controls and risk management (addressing financial, operational, compliance and technology controls) that the Group considers relevant and material to its current business scope and environment were adequate and effective as at the date of the Directors' Statement set out in this Annual Report. The AC concurs with the Board's opinion.

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

Advisory Panel

Indonesia Advisory Panel

The Indonesia Advisory Panel (IAP) was constituted on 15 January 2021 with a non-executive advisory function to provide expertise and advice in relation to SATS' investments, strategic imperatives and growth aspirations in Indonesia. The knowledge and expertise of the distinguished panel members help SATS keep abreast of market developments and policy initiatives in this important market.

The specific objectives of the IAP are to:

(i) share perspectives on major economic, social and industry trends that may affect the Company in Indonesia;
(ii) lend their expertise, insights and advice on specific projects undertaken by the Company in Indonesia;
(iii) provide guidance and advice on managing partnerships, regulators and other key stakeholders in Indonesia including advising the Company on navigating the business and regulatory environment and, political and cultural sensitivities; and
(iv) advise SATS in establishing communication with contacts in Indonesia such as industry players, potential business partners and advisers to help the Company achieve its growth aspirations in Indonesia.

IAP members are not Board directors and the IAP is not a decision-making forum. However, the IAP is directly accountable to the Board. The IAP is chaired by Mr Nihal Kaviratne CBE, with Dr R.M. Marty M. Natalegawa as a member. The late Dr Kuntoro Mangkusubroto was a member of the IAP until his passing on 17 December 2023. The PCEO, Board Chairman and Mr Chia Kim Huat (who is assigned to provide added counsel to the management of the Company's Indonesian business) attend these meetings. The IAP met once in FY2023-24.

In view of the completion of disposal of shares in the capital of PT Cardig Aero Services Tbk, the IAP will be dissolved in July 2024.

The Board and Management herein acknowledge and express their gratitude and thanks to Mr Nihal Kaviratne CBE, Dr R.M. Marty M. Natalegawa and the late Dr Kuntoro Mangkusubroto for their contributions, counsel and support as members of the IAP.

WFS Advisory Board

The board of SATS Investments (III) Pte. Ltd. (SIPL3), a wholly-owned subsidiary of SATS, is institutionalised within SATS as the WFS Advisory Board (WAB). The WAB, which was formed on 3 April 2023, operates as an advisory board that specifically provides expertise, advice and guidance in relation to the business affairs, strategic and operational matters of the WFS group (WFS Group) following the acquisition of WFS.

The members of the WAB include (i) Ms Euleen Goh, who serves as the Chairman of the WAB; (ii) Mr Nils Andersen, who serves as Deputy Chairman of the WAB, (iii) Mr Kerry Mok; (iv) Dr Detlef Trefzger; and (v) Mr Onno Boots. Mr Andersen has extensive experience in fast-moving consumer goods, oil and gas, transport and logistics whereas Mr Boots' experience is in the aviation, logistics and supply chain industries. Pursuant to its terms of reference, the WAB is delegated with full authority by the Board to oversee and provide guidance on the business affairs of the WFS Group. There is a delegation of authority matrix under which the WAB's approval is required for certain key WFS Group matters.

As Ms Euleen Goh will cease to be a Director with effect from the conclusion of the 2024 AGM, and given that direct oversight over the affairs of the WFS Group has fully transitioned to the Board, the Board will be taking steps to reconstitute and internalise the board of SIPL3 with SATS Group employees in line with SATS' internal management structures. Accordingly, the WAB will be dissolved shortly following the conclusion of the 2024 AGM. In conjunction with his retirement from the Board with effect from the conclusion of the 2024 AGM, Dr Detlef Trefzger will concurrently also cease to be a director of SIPL3. Mr Nils Andersen and Mr Onno Boots will also cease to be directors of SIPL3 shortly after the conclusion of the 2024 AGM.

The Board and Management express their sincere gratitude and appreciation to all the members of the WAB for their dedicated counsel, contributions and steer of the WAB in the past financial year.

Corporate Culture

The SATS Code of Conduct sets out the standards of behaviour by which we deal with our customers, business partners, colleagues, suppliers and each other. All employees are required to read and acknowledge the Code of Conduct upon joining the Company. Employees are regularly reminded of the need to comply with the Code of Conduct. The principles covered in the Code of Conduct include:

- High Integrity
  We build trust with business partners through integrity. Unless Management has given special approval, we forbid employees to seek work outside of SATS so that they can give full devotion to the work they do for us. Integrity is further protected through non-competition and non-solicitation requirements for a period of one year after an employee has ceased employment with us.

  We are careful to avoid situations where personal connections or financial interests may influence impartiality. Employees are required to inform us of situations where they have family members who have business dealings with us. Further, employees and members of their family are not allowed to accept gifts or preferential treatment arising from their employment with us.

  Information is valuable to our business. Employees are expected to keep confidentiality, not make false claims and refrain from insider trading.

- Safety in the Workplace
  Workplace safety is of paramount importance to our business. We ensure that all employees and contractors are adequately trained to perform their tasks competently and we insist on strict adherence to safety rules.

- Safeguarding Assets
  Employees are expected to exercise responsibility and good judgement in the use of Company assets. Use of these properties must be authorised and individuals are required to comply with the rules governing such usage.

As the Group embarks on the next phase of our global growth strategy, we have taken the opportunity to reframe our value culture. Being a global organisation with a broader remit in many more locations, the Group has introduced a new set of People Values as a cornerstone of what SATS stands for as a global team. Our updated values reflect our dedication to putting people first in all aspects of our business and to embrace the values we want to embed across our Group. These five values focus on each employee's personal responsibilities across every aspect of our day-to-day operations and decision-making processes, with safety always being top of mind:

Safety
The safety and well-being of our team members, customers, and stakeholders are paramount. We prioritise a culture of safety, adhering to rigorous protocols and best practices to ensure a secure environment for all.

Customer Focus
Our customers are at the heart of everything we do. We are committed to understanding their needs, exceeding their expectations, and delivering exceptional experiences that build lasting partnerships.

Respect
We value diversity, inclusion, and mutual respect. We treat everyone with dignity and empathy, fostering an environment where all individuals feel valued, heard, and empowered to succeed.

Excellence
We strive for excellence in all that we do. From the services we provide to the relationships we cultivate, we pursue the highest standards of quality, innovation, and continuous improvement. A spirit of excellence inspires and motivates us to continuously improve and thereby bring out the best in everyone.

Teamwork
Collaboration is the cornerstone of our success. We recognise the collective strength of our team and embrace a spirit of collaboration, communication and support to achieve our common goals.

We have a shared responsibility to ensure our People Values are not just words on paper. They must be the guiding principles which embody our behaviour, accountability, and collaboration, and empower us to be the best we can be.

Ethics and Compliance

We strongly believe in conducting business with the highest standards of ethics and integrity, and being in strict compliance with applicable laws and regulatory requirements. As we grow globally, we are also inevitably exposed to more complex legal and regulatory risks. In the face of such opportunities and uncertainties, our Company firmly adopts a zero-tolerance approach towards bribery, corruption, fraud and illegal or unethical behaviour.

Corporate Governance Report

We have in place global policies and procedures to address compliance with applicable laws and regulations including those relating to bribery and corruption, sanctions and personal data protection. We have a set of procedures that apply to our suppliers, customers and joint venture partnerships.

In addition to the various compliance policies and procedures, our Code of Ethics and Business Conduct (published on our website) applies to employees and sets out the standards of behaviour according to which we deal with colleagues and with third parties, including customers, business partners and suppliers. This is a testament to SATS' commitment to upholding the highest standards of integrity and business conduct.

SATS' Supplier's Code of Conduct provides guidance on compliance with various laws and regulations and expected ethical behaviour towards suppliers which SATS engages. Our whistle-blowing channels provide an avenue to both employees and the public to report any actual or suspected wrong-doings committed by a SATS employee or business partner.

As part of our anti-bribery and anti-corruption program, we have obtained the ISO 37001 Certification for SATS Ltd. and 13 of its key subsidiaries operating in Singapore, namely SATS Airport Services Pte Ltd, SATS Catering Pte Ltd, SATS Aero Laundry Pte Ltd, SATS Food Services Pte Ltd, SATS Institutional Catering Pte Ltd, SFI Manufacturing Pte Ltd, SATS Seletar Aviation Service Pte Ltd, SATS Security Services Pte Ltd, SATS Asia-Pacific Star Pte Ltd, Primary Industries Pte Ltd, Hog Auction Market Pte Ltd, SATS-Creuers Cruise Services Pte Ltd and Country Foods Pte Ltd.

As building an ethical and compliant culture is an ongoing journey, the Ethics & Compliance team will continue to review and update its existing systems, policies and processes to ensure the business complies with existing and new laws and regulations, and takes into consideration industry best practices.

Whistleblowing Policy

The Group has put in place the SATS Whistleblowing Policy which sets out the procedure to make a report on possible or suspected misconduct or wrongdoing relating to the Group and its officers by a whistleblower. A whistleblower could be an employee, officer, Director, customer, supplier, contractor, agent or any member of the public. Under the SATS Whistleblowing Policy, all employees and officers of the Group have the responsibility to promptly report any misconduct or wrongdoing involving suspected fraud, corruption, other illegal or unethical practices or other similar matters which may cause financial loss to the Group or damage the Group's reputation.

Whistleblowers may identify themselves or make anonymous reports in the form of emails, letters or written/verbal reports directly to the GIA, or via dedicated whistleblowing channels through email at tipoffs@sats.com.sg, via hotline number at +65 6370 7736 (Singapore) / 1800 2666 703 (India) / (800) 461 9330 (WFS), and through the online whistleblowing platforms for SATS (at https://sats.whispli.com) and WFS (via the WFS Ethics & Compliance Portal) (whistleblowing channels). On the online whistleblowing platforms, whistleblowers can continue to communicate anonymously via the secured messaging channels to provide additional information or receive updates. The SATS Whistleblowing Policy further provides that reports and investigations, as well as the identity of the whistleblower, are kept confidential to the extent practicable or permitted by law or the applicable regulatory authority.

The SATS Whistleblowing Policy and SATS Code of Conduct expressly provide that there shall be no reprisal (whether in the form of termination, retribution, harassment or any unfair treatment) against a whistleblower who has made a report in good faith, even if the concerns raised may be mistaken.

Our GIA is the independent function which is responsible for reviewing and investigating all whistleblowing reports received to consider the seriousness of the issues raised, the credibility of the concern and the likelihood of confirming the allegation from attributable sources and if such reports are made in good faith. After considering these factors, an assessment is made as to whether further investigations are required and if investigations should be undertaken by the GIA or another appropriately skilled and knowledgeable independent investigation team as appropriate. Depending on the complexity and the nature of the reports, external service providers may be engaged to assist in investigations. If a report concerns the Head, Group Internal Audit or the PCEO, the report is escalated to the AC Chairman who may delegate investigation of such report to any person deemed fit by the AC Chairman.

The AC is responsible for the oversight and monitoring of whistleblowing and reviews the adequacy of the whistleblowing arrangements. On a quarterly basis, the GIA reports to the AC on all whistleblowing reports received (in respect of both SATS and WFS) and the outcome of investigations on reports involving fraud, corruption, theft, conflict of interest and financial statement fraud. The above internal processes ensure that reported incidents are subject to independent thorough investigations and appropriate follow-up actions, including referral to the appropriate disciplinary process where there is misconduct.

As part of the Group's efforts to promote strong ethical values as well as fraud and control awareness, references to the SATS Whistleblowing Policy are made in the SATS Employee Handbook and SATS' Anti-Bribery and Anti-Corruption Policy and are covered during employee trainings and periodic communications to all employees. The SATS Whistleblowing Policy is made available to all employees on the Group's intranet and the whistleblowing channels on the Group's intranet and corporate website. The Group is continuing to harmonise the policies of the WFS Group with those of the SATS Group, with a view to ensuring the adoption of best practices and behaviours that are common to the enlarged entity.

Banking Transaction Procedures

All bank transactions undertaken by any member of the Group must be properly authorised, including the opening of new bank accounts and any proposed credit facilities. Each member of the Group has its own approval limits and procedures for every banking transaction, having regard to the nature of the transaction concerned. These approval limits and procedures are updated from time to time and are available on request. The bankers of each member of the Group have been advised to verify, in accordance with the verification process set out in the applicable procedures, that the transaction is properly authorised.

Accountability to Shareholders

Shareholder Rights

SATS practices fair and equal dissemination of information. All media releases, announcements and investor presentations are issued via SGXNET and uploaded on our website, providing timely information to shareholders.

Shareholders are informed of general meetings through notices published in the newspapers, electronic releases and/or reports or circulars sent to all shareholders. We generally provide our shareholders with longer than the minimum notice period required for general meetings. We also give our shareholders the necessary information on each resolution so as to enable them to exercise their votes on an informed basis. In particular, for resolutions on the election or re-election of Directors, sufficient information is provided on their background, their contributions to SATS and their Board and Board Committee positions so that shareholders may properly assess the candidacy of such Directors.

Shareholders are given the opportunity to participate effectively in and vote at general meetings. They are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon. Shareholders also have the right to call for general meetings by requisition, in accordance with the provisions of the Companies Act.

Provision 11.4 of the Code provides for a company's constitution to allow for *absentia* voting at general meetings of shareholders. Our Constitution currently does not, however, permit shareholders to vote at general meetings *in absentia* (such as via mail, email or fax). We will consider implementing the relevant amendments to the Company's Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after we have evaluated and put in place the necessary security processes to facilitate *in absentia* voting, and prevention measures against errors, fraud and other irregularities. Shareholders nevertheless already have the opportunity to communicate their views on matters affecting the Company even when they are not in attendance at general meetings as each shareholder is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. Institutional shareholders are allowed to appoint multiple proxies, so indirect investors who hold shares though nominee companies, custodian banks, CPF agent banks or SRS operators may be appointed as proxies to attend, speak and vote at the AGM.

The voting rights of shareholders are described in the Annual Report, and shareholders are briefed by independent scrutineers on the rules and voting procedures at the beginning of general meetings. We encourage shareholders to actively participate in general meetings, which are held at convenient locations.

Communication with Shareholders

Investor Relations

SATS' Mission and Values reflect our aim to create value across our businesses for our customers, industry partners, shareholders and employees. As such, SATS strives to communicate pertinent information to shareholders and the investment community in a clear and detailed manner on a regular and timely basis. We commit to disclosing material price- and trade-sensitive information to the public on a prompt and inclusive basis, providing our stakeholders with the latest, most relevant information they require to make informed decisions about the value of SATS and our long-term prospects. Material information relating to our financial performance, business and strategic developments is published on SGXNET first, followed by our website at www.sats.com.sg.

As required by the Listing Manual, the Company discloses the names of its substantial shareholders[5] and a breakdown of their direct and deemed interests (including how such interests are held or derived) in its annual report every year. The Company also disseminates, via SGXNET, the notifications it receives from its substantial shareholders, in accordance with the provisions of the SFA.

[5] A substantial shareholder is a person who has an interest in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company.

Corporate Governance Report

A dedicated investor relations section on our website enables access for our shareholders and the investment community to pertinent information about SATS such as annual reports, financial results/voluntary quarterly business updates, webcasts of earnings briefings, and the latest corporate presentations. Shareholders are also able to access a copy of the Company's Constitution on its website.

In addition, we have many channels that offer engagement and dialogue opportunities with Management for our stakeholders to better understand our business strategy. In FY2023-24, we organised post-results conference calls at the end of every quarter of the financial year, with live audio webcasts to brief shareholders, the investment community and the media on our financial performance and key business and corporate developments. We also make available an on-demand audio recording of such sessions on our website within three business days.

Furthermore, we regularly participate in investor conferences held both locally and overseas to meet with investors who are interested in knowing more about our business and we make it a point to respond to requests from key institutional investors to meet with select members of Management on specific matters and queries about our business. In FY2023-24, we extended our reach to investors through our participation in 13 conferences.

Our Corporate Affairs department acts as our corporate liaison to facilitate the flow of information between SATS and our stakeholders, including investors, analysts, government agencies, the media and the general public. The department disseminates corporate information that promotes a transparent and positive relationship with all our stakeholders and manages enquiries about our business performance and requests for meetings with Management. Shareholders who wish to contact SATS may get in touch with the Corporate Affairs department by completing the General Enquiry Form on our website, accessible from the URL https://www.sats.com.sg/about-sats/contact-us/general-enquiry-form, with "Investor Relations" selected as the nature of enquiry.

A dedicated investor relations team in the Finance Department works closely with the Corporate Affairs team to implement a defined investor relations programme. Upon receiving queries and feedback, our Corporate Affairs team will consult the relevant subject matter experts before responding appropriately. Communications with our stakeholders are conducted in an open, transparent manner and in compliance with SGX requirements. The Board receives regular updates from Management on feedback received from stakeholders and is generally kept apprised of stakeholder discussions and queries.

Sustainability

Combating climate change is a matter of great urgency and priority, and the status quo is no longer an option. Action against climate change is a task that requires a global joint effort shared across all countries, sectors and supply chains. For SATS, firm and decisive actions to decarbonise our operations will contribute to this collective effort. As aviation volumes continue their recovery to pre-COVID levels, SATS continues to take the opportunity to improve our ESG performance across our global network, including the operations of the newly-acquired WFS. In FY2023-24, we renewed our membership as a signatory of the United Nations Global Compact (UNGC), demonstrating the Company's commitment to the UNGC's 10 universal principles relating to human rights, labour, environment and anti-corruption. The Company, which is the first ground handler in the Asia Pacific region to join the International Air Transport Association Environmental Assessment programme, aims to strengthen our environmental management systems and processes, starting with our cargo, property and ground handling operations in Singapore. This allows us to align ourselves with international best practices in environmental management in order to support our partners with world-class standards.

SATS has extended our Environmental Policy to WFS, in keeping with our commitment to minimise our carbon footprint, optimise our resources and mitigate any environmental risks in our business. The Environmental Policy has also been translated to various key languages catering to our global network and published on our website under "Sustainability – Policies and Reference Documents" at the URL https://www.sats.com.sg/sustainable-business/references.

The Board provides guidance on the development of the Company's business strategy and reviews the effectiveness of all programmes to ensure they are sustainable and fit for purpose. It also makes certain that we integrate business objectives with sustainability goals, making sustainability a vital facet of our business strategy. In FY2023-24, SATS expanded the Terms of Reference of the former BRSC to include sustainability matters and renamed the Board Committee as the "Safety, Sustainability and Risk Committee", signalling the importance of sustainability in our business strategy. The SSRMC, chaired by the PCEO and comprising senior members of the GMB, now includes executives from WFS, ensuring alignment among top decision-makers on ESG ambition and initiatives. The SSRMC also evaluates the business cases and trade-offs for the implementation of ESG projects, including resourcing, capital allocation and potential financial impact across SATS' global network.

The Group's sustainability governance structure was also updated in view of WFS' integration with SATS. The Sustainability Council was divided into regional ESG councils to better support ESG champions in their respective business units and regions. The Sustainability Council comprises sustainability champions from the business units and staff representatives across 18 key departments as well as representatives from our overseas subsidiaries. The Sustainability Council evaluates the effectiveness of our sustainability programmes with reference to key performance metrics each month, shares best practices between Singapore and our overseas operations, and governs the proceeds from the sale of our Renewable Energy Certificates by channelling them towards meaningful sustainability initiatives.

Our refreshed sustainability framework now reflects our combined ambition and goals that contribute significantly to fulfilling our purpose to feed and connect communities. Building upon our core competencies to enable our business, stakeholders and the community to grow with purpose, our sustainability framework drives our four focus areas – namely decarbonisation, sustainable sourcing, waste & packaging, and diversity & inclusion. In FY2022-23, we conducted a second Materiality Assessment review since the first in 2017, to help the Company recalibrate and focus its sustainability efforts on the topics that matter most in terms of stakeholder relevance and business impact. In FY2023-24, these material topics were reviewed and aligned with those of WFS to ensure they remain relevant for our expanded footprint. More details on this review and prioritisation can be found in our Sustainability Report.

We report our sustainability performance in accordance with the SGX Sustainability Reporting Guide, taking reference from the Global Reporting Initiative Standards. The increasing focus on climate change has resulted in calls for a transition to a lower-carbon economy. FY2023-24 is the first year in which our sustainability reporting includes WFS, and serves as the baseline for our global ESG ambitions. In FY2022-23, we enhanced our Task Force on Climate-related Financial Disclosures' process to further assess the financial quantification of climate-related risks and opportunities, as these will help support investments into mitigation actions and strengthen our climate resilience as a business. These include investing in energy-efficient equipment within our facilities, developing local supply base to ensure supply chain resilience and assessing the impact of carbon taxes on energy prices to prepare the Company for such a transition. More details of our climate disclosures can be found on pages 67-71 of the FY2022-23 Sustainability Report in Annex E. We also map material topics to the United Nations Sustainable Development Goals, and continually review our sustainable business strategy to improve our stewardship and reporting format. Following SGX's requirements on mandatory climate reporting, SATS will continue to provide and further improve our climate-related disclosures in our future sustainability reports.

We engage our internal and external stakeholders regularly through multiple channels to seek alignment on material issues that guide our decision-making. The conversion of existing vehicles in our vehicle fleet to cleaner energy vehicles is one of our decarbonisation levers and we work in close alignment with our ecosystem stakeholders, such as the airport authorities in planning for airside charging infrastructure and with vehicle manufacturers for feasibility trials. As part of ongoing efforts to align our sustainability goals with those of our stakeholders, we have engaged Singapore Airlines to align our sustainability priorities and review areas in which we should jointly focus our efforts. By working collaboratively with all stakeholders, we create a greater positive impact on the environment and the communities we serve.

As SATS continues to grow our food-related businesses, we are expanding our ESG policies and practices beyond our own operations to those of our suppliers. Since 1 April 2023, all sourcing activities of food-related goods and services have incorporated sustainability as part of vendor selection criteria, encouraging our suppliers to incorporate ESG practices to support our collective goals.

We recognise that many of these suppliers are small and medium-sized enterprises, and they may not have the resources or capacity to embark on their own sustainability journeys alone. Therefore, we are endeavouring to provide support and resources to help these suppliers adopt sustainable business practices and enhance their carbon management, through a series of supplier outreach initiatives and workshops. SATS believes that sustainability is a collective effort and we hope to create a shared commitment to sustainability across our supply chain. As we move forward, we will continue to evaluate and improve our supplier outreach and engagement initiatives to ensure that we are making a meaningful impact on our supply chain.

Dividend Policy

The Company is committed to paying dividends to shareholders equitably and sustainably. The Company's policy is to pay dividends that grow progressively with earnings, while taking into account the Company's cash flow generation capacity, level of cash and reserves, reinvestment and capital expenditure needs for sustainable growth, debt repayments to strengthen its balance sheet, any circumstances which might reduce the amount of reserves available to pay dividends and factors that the Board considers to be relevant in determining the allocation of earnings for distribution and the amount of dividends.

Upon approval by shareholders at the general meeting, dividends are generally paid to all shareholders within 15 market days after the record date.

In the event of a material variation in declared dividends compared to the previous corresponding period, or any decision not to declare a dividend, the reasons for such will be disclosed in accordance with the Listing Manual.

Corporate Governance Report

Conduct of Shareholder Meetings

Generally, all Directors are required to attend general meetings and are present for the entire duration of general meetings. The Chairman of the Board, the Chairman of each of the EXCO, AC, NC, RHRC and SSRC and the external auditors are present to address shareholders' queries. Our PCEO makes presentations at AGMs to update shareholders on our performance, position and prospects, and the presentation materials are uploaded onto SGXNET and our corporate website. The Chairman of the meeting is tasked with facilitating constructive dialogue between the shareholders and the Board, Management and the external auditors. Where appropriate, the Chairman allows specific Directors, such as the respective Board Committee chairmen, to answer queries on matters related to their roles. Shareholders are also given an opportunity to interact with the Directors before and/or after general meetings. We try our best not to schedule our AGMs during peak periods when these might coincide with the AGMs of other listed companies.

At general meetings, each distinct issue is proposed as a separate resolution and resolutions are generally not "bundled" or made inter-conditional on each other. Where resolutions are "bundled", the reasons and material implications for doing so are set out in the notice calling for the general meeting.

All resolutions are put to the vote by electronic poll voting. Voting by poll allows for an equitable and transparent voting process. Shareholders will be better able to demonstrate their concerns in a manner more accurately reflective of their shareholdings. Independent scrutineers are appointed to conduct the voting process. Independent scrutineers brief the shareholders on the e-polling voting process and verify and tabulate votes after each resolution. The results of the voting at the general meetings showing the number of votes cast for and against each resolution and the respective percentages are shown to the shareholders at the end of each resolution before the Chairman makes a declaration on the passing of the resolution. In addition, the voting results at the general meetings showing the number of votes cast for and against each resolution and the respective percentages and the name of the independent scrutineer will be announced via SGXNET immediately after each general meeting.

The Company Secretary prepares minutes of shareholders' meetings, which incorporate substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management. These minutes are published on our corporate website and on SGXNET within one month of the AGM.

2023 AGM

Following the cessation of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 on 1 July 2023 and pursuant to legislative amendments to the Companies Act, as read with Rule 730A of the Listing Manual and practice guidance amendment by the SGX-ST on the conduct of general meetings by issuers on and after 1 July 2023, which requires listed companies to hold all their general meetings either at a physical place in Singapore, or at a physical place in Singapore and using virtual meeting technology, the Company held its 2023 AGM in a wholly physical format at the Garden Ballroom, Level 1, Parkroyal Collection Marina Bay, 6 Raffles Boulevard, Singapore 039594 on Friday, 21 July 2023 at 11.00 a.m.. Shareholders were given the opportunity to submit written questions prior to the 2023 AGM, and all substantial and relevant comments and queries were responded to through publication on SGXNET and the Company's corporate website on 15 July 2023.

2024 AGM

As with the 2023 AGM, the 2024 AGM will be held in a wholly physical format. There will be no option for shareholders to participate virtually. Shareholders will also be given the opportunity to submit written questions prior to the 2024 AGM, and all substantial and relevant comments and queries received by the stated deadline will be responded to at least 48 hours prior to the closing date and time for the lodgement of proxy forms, through publication on SGXNET and the Company's corporate website. For more information on the 2024 AGM, please refer to the Notice of AGM for the 2024 AGM.

Dealings in Securities

In line with the rules of the Listing Manual, we have in place a policy and guidelines on dealings in Company securities for the Company and for employees of the Group and Directors of the companies within the Group. The policy and guidelines restrict the Company and certain employees (including all administrative officers and employees of managerial grade and above, and employees in departments which are likely to be privy to confidential material price-sensitive or trade-sensitive information, such as the offices of the senior members of Management, the Legal and Finance departments, and departments or units of companies in the Group having charge of business development and/or marketing activities) from trading in Company securities during the period of one month immediately preceding the announcement of our half year and full year financial statements and during the period of two weeks immediately preceding the announcement of our voluntary quarterly business updates containing meaningful and relevant financial and non-financial information on our performance for the first and third quarters of each financial year.

The Company has also adopted a procedure for a trading halt in Company securities, which assists us to manage our continuous disclosure obligations in accordance with the spirit of Rule 703 of the Listing Manual in the event of a leak of material unpublished information, or a false rumour or report where a media comment about us is sufficiently specific and detailed to warrant a response or to adequately respond to a query by the SGX-ST arising from such leak of material unpublished information or a false rumour or report.

In addition, the Company and the Group's Directors and employees are prohibited at all times from trading in the Company's securities whilst in possession of non-public, price-sensitive or trade-sensitive information. The policy and guidelines also remind employees and Directors of the Group that they should not deal in our securities on short-term considerations, and to be mindful of the insider trading prohibitions under the SFA whenever trading in our or any other corporation's securities. Directors are also reminded of their obligations under the SFA to give the requisite notice to the Company of any interests in securities of the Company or of any of its related corporations, and of any changes, within two business days after they acquire such interests or, as the case may be, after they become aware of the changes. In any event, the non-executive Directors who are currently our shareholders hold an insignificant number of shares in SATS.

Our Engagement Activities and Initiatives with Business Partners and Key Stakeholders

SATS has established appropriate channels to identify and engage with our key stakeholder groups in addition to our shareholders. We recognise the importance of sharing detailed knowledge of our business and having regular interactions with our stakeholders to determine material concerns for our business. These engagements enable SATS to review business processes, report on the progress of initiatives, and share ideas and knowledge for deeper collaboration with our partners.

Investor and Media Outreach

On the communications front, SATS is committed to transparency by providing timely and informative updates relating to Company announcements, financial results/voluntary quarterly business updates, news releases, and corporate presentations on its corporate website. We observe best practices when communicating with key stakeholders such as by tailoring relevant information for specific groups, considering constructive feedback on pertinent issues and postponing engagements during blackout periods.

SATS interacts with the investment community through various channels. We hold quarterly meetings with analysts and investors to discuss SATS' financial performance and address related queries. During these meetings, we also provide updates on the integration of WFS with SATS and the progress made towards achieving the committed potential EBITDA synergies. We share pertinent information with the broader investment community through updates on the SATS and SGX websites.

During FY2023-24, we held 105 face-to-face/virtual meetings with 428 analysts and investors and conducted 4 facility tours for our investors.

On 17 November 2023, SATS established a US$3 billion multicurrency debt issuance programme and subsequently held 23 meetings with 122 debt investors in Hong Kong, London and Singapore.

Through regular press releases and SGX announcements, we keep the investment community informed of material information such as new investments, commercial wins, and strategic collaborations.

Journey in Operational Excellence

In the wake of the WFS acquisition, the SATS Group pursued a comprehensive integration process, fostering a culture of collaboration across different functions and levels. Through detailed consultative planning and execution, we reorganised corporate support functions, streamlined workflows, optimised processes and embarked on the journey of harmonising policies and systems. Data visibility and best practice sharing has enabled the Group to disseminate insights and successes and refine operational practices across the network. We have also embraced technology, automation, artificial intelligence and machine learning to automate workflows to enhance efficiency and accuracy while reducing manual intervention. Examples include driving adoption of the International Air Transport Association's ONE Record digital data-sharing standard in France and Hong Kong, scaling Lean Six Sigma Green Belt programs in the US and autonomous vehicle initiatives in Singapore, Hong Kong and Spain. We have also embarked on collaborations with strategic partners such as Kuehne+Nagel to co-develop and implement solutions for customers across our global network of stations. Through the continuous pursuit of excellence, we continue to maintain our high service standards for our customers and realised efficiencies while continuing to lay the foundations for growth and value creation.

Enhancing Health, Safety, Security and Environment

Ensuring safety remains our paramount commitment at SATS, aligning with our core values and reflecting our steadfast dedication to cultivating a secure environment across our operations. Over the past year, significant strides have been made in bolstering our global Health, Safety, Security, and Environment (HSSE) framework. This has entailed the establishment of a global HSSE team structure, the introduction of standardised reporting metrics, and the implementation of an integrated SATS Group Safety Culture model spanning all business divisions and geographic regions. Moreover, our concerted efforts to promote knowledge sharing and best practice adoption have been instrumental in advancing aviation safety standards throughout our network, resulting in continual year-on-year improvements in workplace injury rates across diverse regions. Concurrently, we have extended our focus in food safety risk management, deploying comprehensive protocols across SATS Food Solutions entities in key markets such as India, China, Thailand, and Japan, leveraging the expertise honed in our Singapore operations.

Corporate Governance Report

Furthermore, we have charted a roadmap to unify disparate HSSE information technology systems, slated for execution in the forthcoming year. This strategic initiative aims to transition teams in different countries onto a singular global HSSE platform, facilitating enhanced visibility and management of HSSE risks across the Group's worksites. With real-time tracking capabilities encompassing incidents, audits, inspections, risk assessments and action plans, this consolidation will expedite the standardisation of processes and bolster effectiveness. Importantly, it will empower scalable dissemination of insights, fostering a culture of shared learning and enabling swift response to emerging challenges.

The Company has established a centralised procurement function with two key purchasing resource teams which manage the procurement of food-related goods and services and non-food-related categories to drive procurement efficiency.

SATS also has a Global Procurement Policy and a Global Procurement Operation Manual. Our Global Procurement Policy is guided by five principles: best total value, honest, ethical and fair dealings, externally linked supply solutions, competition and collaboration, and long-term supplier partnership.

In line with the above, SATS engages our suppliers and vendors to embed the ESG criteria and practices in our Global Procurement Policy, supply chain management, and vendor selection and evaluation processes. We started our Supplier Engagement Programme in April 2023 and have seen more than 80 participants from approximately 60 unique suppliers attending our sustainability and carbon accounting workshops.

The workshops offer suppliers an excellent opportunity to enhance their knowledge of SATS' sustainability framework, goals and initiatives, while also equipping them with essential skills in carbon emissions tracking and management.

As part of our efforts to promote sustainability across our supply chain, SATS has collaborated with EcoVadis, a trusted platform that provides ESG ratings and performance improvement services. Through this partnership, we aim to assess and monitor the ESG performance of our suppliers. It will allow SATS to follow up on actions to close assessed gaps. So far, we have assessed 100% of our critical suppliers, 11% of our strategic suppliers and 4 non-strategic suppliers (which cumulatively account for 35% of SATS' food third party spend in FY2023-24), and are in the process of assessing a further 14% of our strategic suppliers (accounting for a further 5% of SATS' food third party spend in FY2023-24).

SATS actively collaborates with various stakeholders across different industries to promote sustainable practices through an ecosystem approach. Following the integration with WFS, we reviewed SATS' materiality assessment conducted in 2023 before the integration and WFS' independent materiality assessment completed in 2022. Both assessments identified several material topics that were highly aligned between both organisations, including corporate governance and ethics, diversity and inclusion, environment, health and safety, and supply chain sustainability. These topics have been incorporated into our refreshed Group Sustainability Framework, which includes renewed ambitions and targets. Our strategy is based on these materiality assessments, allowing us to focus on the most relevant topics for stakeholders that will generate the most significant business impact. In line with new regulations issued by the SGX-ST, except Ms Chan Lai Fung who was appointed on 28 February 2024, all Board members who held office as at the end of FY2023-24 have completed the required training on sustainability matters as prescribed by the SGX-ST during the course of FY2023-24.

As part of our Supplier Engagement Programme, SATS collaborated with United Overseas Bank (UOB) to provide SATS suppliers, especially small and medium enterprises, with access to UOB's ecosystem of sustainability solution providers. The goal was to help them decarbonise their operations. The "SATS x UOB Electric Mobility Workshop" was the first event in this collaboration and aimed to educate SATS' critical and strategic suppliers on the benefits and opportunities associated with transitioning to Commercial Electric Vehicles (CEVs) for their businesses. During the workshop, suppliers were able to test drive the CEVs and view the latest models, including 14 and 20-footer refrigerated trucks. They also gained insights into the various enablers for transitioning to CEVs, including financial considerations such as costs and incentives, charging infrastructure, as well as key vehicle attributes such as driving range, battery performance, and safety considerations.

We engage with our suppliers, who are mostly small and medium-sized businesses and also collaborate with local companies to develop new sustainability initiatives. For instance, we are partnering with TRIA, a Singapore-based company that provides sustainable packaging solutions, on a Proof of Concept for Closed-Loop Catering to support our institutional catering business. We are utilising TRIA's proprietary Rapid Depolymerisation technology to handle the post-consumption packaging and food waste that we receive from our operations to achieve circularity.

Besides collaborating with our suppliers, SATS also actively engages with our customers to support their sustainability journeys. For example, we conducted packaging and waste management workshops with airlines such as Scoot, Jetstar and SIA to educate and train their crew, inflight services and commercial teams through design thinking, technical life-cycle awareness of different packaging materials and brainstorming on collaboration opportunities to tackle cabin waste.

SATS was also represented by our former Chief Sustainability Officer at the COP28 United Nations Climate Change Conference in Dubai in December 2023 to discuss the opportunities and challenges in decarbonising the aviation sector.

Singapore Hub

SATS actively collaborates and consults with Changi Airport stakeholders (such as Changi Airport Group (CAG), Civil Aviation Authority of Singapore (CAAS), National Trades Union Congress, SIA and other airlines) as well as a broad range of industry players in Singapore to seek feedback and collaboration on the continued sustainability and efficiency of the Singapore aviation hub. In partnership with NTUC and CAAS, the Company Training Committee has been working on job redesign initiatives to enhance the roles and career paths of the aviation workforce. This collaboration aims to equip employees with the necessary skills and knowledge to adapt to evolving industry demands, ensuring a more resilient and capable workforce. Additionally, we are conducting a comprehensive review of wage benchmarks and career progression pathways to ensure that every staff member enjoys a fulfilling, appreciated, and meaningful employee experience with SATS.

In a continuous effort to leverage technology to enhance productivity, SATS is participating in several new projects at Changi Airport. For example, we are testing the use of autonomous baggage tractors for baggage transportation in a live environment at Terminal 3 of Changi Airport and are continuing the second phase of the trial to operate the tractor remotely from a control centre. Since the second half of 2023, SATS has worked with CAG, CAAS and Singapore Telecommunications Limited to identify use cases of the 5G mobile network, aimed at enhancing the speed of connection to boost productivity. Along with other industry stakeholders, SATS will continue to support CAG in improving the truck dock slot booking system with a more integrated solution.

During FY2023-24, we also collaborated with CAG to ensure the provision of suitable and sufficient charging infrastructure to facilitate the launch of electric airfield buses that can transport over 100 passengers per bus and cover a range of more than 240 km on a single charge. These buses will be used to transport passengers to and from remote bays at Changi Airport.

ANNEXURE

Share Plans

SATS RSP and SATS PSP

The SATS RSP and the SATS PSP were approved by shareholders at the Extraordinary General Meeting of the Company held on 19 July 2005 for an initial term of 10 years till 18 July 2015. A 10-year extension until 18 July 2025 was approved at the 41st AGM of the Company. There was no change to the maximum limit of new shares which may be issued under the SATS RSP and the SATS PSP following the extension of their respective durations which was approved by shareholders at the 41st AGM. Shareholders' approval is being sought for a proposed (further) extension of, and alterations to, the SATS RSP and the SATS PSP at the 2024 AGM. If approved, the duration of the SATS RSP and the SATS PSP will be extended for a further 10-years up to (and including) 18 July 2035. Please refer to the 2024 Letter to Shareholders for more details.

The SATS RSP and SATS PSP were introduced with a view to further strengthening the Company's competitiveness in attracting and retaining talented key senior members of Management and executives. The SATS RSP and the SATS PSP aim to more directly align the interests of key senior members of Management and executives with the interests of shareholders, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to foster a greater ownership culture amongst key senior members of Management and executives. These plans contemplate the award of fully paid shares of the Company, when and after pre-determined performance or service conditions are accomplished.

The SATS RSP serves as an additional motivational tool to recruit and retain talented executives as well as to reward Company and individual performance. In addition, it enhances the Group's overall compensation packages, strengthening the Group's ability to attract and retain high performing talent. Shareholders' approval was also obtained at the 46th AGM of the Company to alter the SATS RSP to enable non-executive Directors to participate in the SATS RSP, so as to permit grants of fully paid shares to be made under the SATS RSP to non-executive Directors as part of their Directors' remuneration.

The SATS PSP is targeted at a select group of key senior members of Management who shoulder the responsibility for the Company's performance and who are able to drive the growth of the Company through innovation, creativity and superior performance. Awards under the SATS PSP are performance-based, with performance targets set in accordance with medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets based on criteria such as total shareholders' return, economic value added, market share, market ranking or return on sales.

Awards granted to executives under the SATS RSP, which is intended to apply to a broader base of executives, will typically vest only after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years (time-based restricted awards) or, where the award is performance-based (performance-based restricted awards), after a further period of service beyond the performance target completion date. Awards granted to the non-executive Directors under the SATS RSP in lieu of part of the cash amount of their Directors' remuneration consist of fully paid shares with no performance conditions attached and no vesting periods imposed. However, such non-executive Directors will be required to retain a base shareholding worth up to one year's retainer fee for as long as he/she is on the Board of the Company, and for a period of one year after stepping down as a Director.

No minimum vesting periods are prescribed under the SATS RSP, and the length of the vesting period(s) in respect of each award will be determined on a case-by-case basis. The grant of such performance-based restricted awards is intended to ensure that the earning of shares under the SATS RSP is aligned with the pay-for-performance principle. The use of time-based restricted awards will only be made on a case-by-case basis where business needs justify such awards.

The selection of a participant and the number of shares which he/she would be awarded under the SATS RSP will be determined at the absolute discretion of the RHRC, which will take into account criteria such as his/her rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his/her contribution to the success and development of the Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

Under the SATS RSP and the SATS PSP, the RHRC has the discretion to determine whether the performance condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the RHRC has the right to make reference to the audited results of the Company or the Group to take into account such factors as the RHRC may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the RHRC decides that a changed performance target would be a fairer measure of performance.

The senior members of Management who are participants of the SATS RSP and the SATS PSP are required to observe a moratorium on a minimum threshold of their shares in the Company. They are prohibited from trading, pledging or hedging their minimum threshold. The RHRC in their review of the Company's share plans also reviewed the minimum threshold. The RHRC commissioned a review of the minimum threshold by an external consultant, Aon Hewitt, in October 2014 and had approved the findings and recommendation of Aon Hewitt.

The aggregate number of shares which may be issued pursuant to awards granted under the SATS RSP and the SATS PSP, when added to the number of new shares issued and issuable in respect of all options granted under the SATS Employee Share Option Plan (which expired in 2010 and under which there are no longer any outstanding options), and all awards granted under the SATS RSP and the SATS PSP, may not exceed 15 percent of the total number of issued ordinary shares in the capital of the Company (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual)) on the day preceding the relevant date of award.

For FY2023-24, the total number of shares comprised in awards granted under the SATS RSP and SATS PSP did not exceed 0.4 percent of the total number of issued shares (excluding treasury shares and subsidiary holdings).

Financial Statements

Directors' Statement

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of SATS Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2024.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors:

(a) The financial statements set out on pages 136 to 216 give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

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

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

2. DIRECTORS

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

Euleen Goh Yiu Kiang	Chairman
Irving Tan Tiang Yew	Chairman-Designate – Appointed on 16 May 2024
Kerry Mok Tee Heong	
Achal Agarwal	
Vinita Bali	
Chan Lai Fung	Appointed on 28 February 2024
Chia Kim Huat	
Eng Aik Meng	
Jenny Lee Hong Wei	
Mak Swee Wah	Appointed on 11 September 2023
Pier Luigi Sigismondi	Appointed on 5 September 2023
Jessica Tan Soon Neo	
Deborah Tan Yang Sock	
Detlef Andreas Trefzger	

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Direct interest		Deemed interest	
Name of Director	At the beginning of financial year/ Date of appointment	At the end of financial year	At the beginning of financial year/ Date of appointment	At the end of financial year
Ordinary shares[(1)]				
Euleen Goh Yiu Kiang	160,048	188,548	–	–
Kerry Mok Tee Heong	293,441	497,126	–	–
Achal Agarwal	78,983	91,683	–	–
Vinita Bali	7,144	17,044	–	–
Chia Kim Huat	39,676	51,876	–	–
Eng Aik Meng	–	–	20,000	20,000
Jenny Lee Hong Wei	22,094	29,694	–	–
Mak Swee Wah	21,235	21,235	–	–
Jessica Tan Soon Neo	40,086	52,986	–	–
Deborah Tan Yang Sock	14,023	28,623	–	–
Award under SATS Restricted Share Plan ("RSP")				
Kerry Mok Tee Heong[(2)]	99,900	232,058	–	–
Award under SATS Performance Share Plan ("PSP")				
Kerry Mok Tee Heong[(3)]	263,800	346,149	–	–

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

(2) The final number of RSP award will vest equally over a three-year period. During the financial year, 288,000 shares were awarded and 161,585 shares were vested.

(3) The final number of PSP will range from 0% to 150% of the initial grant and is contingent on the achievements of pre-determined targets over a three-year performance conditions period. During the financial year, 165,000 shares were awarded and 42,100 shares were vested.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2024.

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

5. **SHARE-BASED PAYMENTS**

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

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

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

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

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

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

At the 46th Annual General Meeting of the Company held on 18 July 2019, the shareholders of the Company approved alterations to the RSP to permit grants of fully paid shares of the Company to be made to Non-Executive Directors of the Company as part of their Directors' Fees in respect of their office as such, in lieu of cash. During the financial year, an aggregate of 98,400 shares of the Company were delivered pursuant to awards granted under RSP to Non-Executive Directors as part of their Directors' Fees for the period 1 April 2022 to 31 March 2023 in lieu of cash. The awards consisted of fully paid shares with no performance conditions attached and no vesting periods imposed.

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

RSP

	Number of restricted shares				
Date of grant	Balance at 01 April 2023/ Date of grant	Vested	Forfeited	Adjustment	Balance at 31 March 2024
25 June 2021	477,200	(495,778)	(8,300)	26,878	–
24 June 2022	1,588,500	(834,032)	(128,535)	89,200	715,133
3 July 2023	5,074,600	(1,696,700)	(240,300)	–	3,137,600
8 August 2023	98,400	(98,400)	–	–	–
	7,238,700	(3,124,910)	(377,135)	116,078	3,852,733

5. **SHARE-BASED PAYMENTS** (cont'd)

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

PSP

	Number of performance shares				
Date of grant	Balance at 01 April 2023/ Date of grant	Vested	Forfeited	Adjustment#	Balance at 31 March 2024
20 August 2020	462,500	(210,700)	–	(251,800)	–
02 August 2021	345,000	–	(116,325)	19,836	248,511
24 June 2022	246,300	–	(31,724)	14,161	228,737
22 March 2024	570,000	–	–	–	570,000
	1,623,800	(210,700)	(148,049)	(217,803)	1,047,248

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

Based on the Monte Carlo simulation model, the estimated weighted average fair values at the date of grant for each share granted during the year under the PSP is $2.14 (2023: $2.16).

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

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

The number of contingent shares granted but not released as at 31 March 2024 were 3,852,733 (2023: 2,065,700) and 1,047,248 (2023: 1,053,800) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards is 3,852,733 (2023: 2,065,700) and zero to a maximum of 1,570,872 (2023: 1,580,700) fully paid ordinary shares of the Company, for RSP and PSP respectively.

For the current financial year, the Group has provided $11,112,000 (2023: $8,939,000) in respect of the RSP and PSP based on the fair values determined on grant date and estimation of share grants that will ultimately vest.

6. **AUDIT COMMITTEE**

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

Directors' Statement

7. INTERNAL CONTROL STATEMENT

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

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

8. AUDITORS

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

On behalf of the Board of Directors,

Euleen Goh Yiu Kiang
Chairman

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

Dated this 31 May 2024

Independent Auditors' Report

Members of the Company
SATS Ltd.

Report on the audit of the financial statements

OPINION

We have audited the financial statements of SATS Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group, the statement of financial position of the Company as at 31 March 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 136 to 216.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Independent Auditors' Report

ACQUISITION OF WFS

Refer to Note 3.2 for relevant discussion of significant accounting estimates, Note 20 'Investment in subsidiaries' and Note 19 'Intangible assets'

The key audit matter	How the matter was addressed in our audit
During the financial year, the Group completed the acquisition of Neptune Holdings 1 B.V. (formerly Promontoria Holding 243 B.V.) which owns the global air cargo logistics provider WFS Global Holdings SAS ("WFS"). This acquisition requires the evaluation of the fair values of the identifiable assets, including intangible assets acquired, and liabilities assumed. The evaluation of the fair values of customer relationship intangibles and joint ventures involves significant inherent risks associated with the estimates over the cashflow assumptions the Group applied in the valuation and is a key audit matter.	We reviewed the sale and purchase agreement and assessed the terms and conditions affecting the purchase consideration and acquisition accounting. Together with our valuation specialist, we discussed with management the basis of identifying and valuing customer relationship intangibles and joint ventures. With respect to the valuation of intangible assets relating to customers relationship and joint ventures, we assessed the reasonableness of the key assumptions used by comparing them to historical results and external benchmarks, where relevant. In addition, we involved our valuation specialists to perform sensitivity analysis over key assumptions.

FINDINGS

We found the estimates used to ascertain the fair values of customer relationships and joint ventures to be appropriate.

IMPAIRMENT OF NON-FINANCIAL ASSETS, INCLUDING GOODWILL

Refer to Note 2.9 'Impairment of non-financial and financial assets' and Note 3.1 'Impairment of non-financial assets' for relevant accounting policies and discussion of significant accounting estimates, Note 16 'Property, Plant and Equipment', Note 17 'Right-of-Use Assets', and Note 19 'Intangible assets'

The key audit matter	How the matter was addressed in our audit
The accounting for the carrying value of WFS America and WFS EMEAA cash generating units ("CGUs") has a material impact on the Group due to the significant cumulative value of the goodwill and other long- lived non-financial assets within those CGUs. Annual impairment testing is required for CGUs containing goodwill. The impairment assessments of WFS America and WFS EMEAA CGUs are a key audit matter given the significant inherent risks associated with the estimation of projected revenue and terminal growth rates assumptions the Group applied in their Value-in- Use ("VIU") impairment models.	We held discussions with senior management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the CGUs. We challenged management's estimates of projected revenue and terminal growth rates applied based on our knowledge of the CGUs' operations, and compared them against historical performance, forecasts and external benchmarks. We performed sensitivity analyses to evaluate whether reasonable changes in the key assumptions for any of the Group's CGUs would cause the carrying amounts to exceed the recoverable amounts.

FINDINGS

We found the estimates used in assessing the carrying value of the CGU to be appropriate.

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

Independent Auditors' Report

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

KPMG LLP
Public Accountants and Chartered Accountants

Singapore
31 May 2024

Consolidated Income Statement

for the financial year ended 31 March 2024

	Note	2023-24 $ million	2022-23 $ million
CONTINUING OPERATIONS			
Revenue	4	**5,149.6**	1,758.3
Expenditure			
Staff costs	5	**(2,939.3)**	(891.8)
Cost of raw materials		**(386.8)**	(336.3)
Licence fees		**(96.7)**	(56.4)
Depreciation and amortisation charges		**(536.4)**	(175.8)
Company premise and utilities expenses		**(240.3)**	(124.2)
Other costs		**(705.9)**	(221.8)
		(4,905.4)	(1,806.3)
Operating profit/(loss)	6	**244.2**	(48.0)
Finance expenses	7	**(258.1)**	(18.6)
Finance income	7	**21.4**	9.9
Share of results of associates/joint ventures, net of tax		**110.0**	45.4
Other non-operating loss, net	8	**(1.2)**	(32.5)
Profit/(loss) before tax		**116.3**	(43.8)
Income tax (expense)/credit	9	**(55.8)**	5.2
Profit/(loss) for the year from continuing operations		**60.5**	(38.6)
DISCONTINUED OPERATION			
Profit from discontinued operation (net of tax)	10	**3.2**	–
Profit/(loss) for the year		**63.7**	(38.6)
Profit/(loss) attributable to:			
Owners of the Company		**56.4**	(26.5)
Non-controlling interests		**7.3**	(12.1)
Profit/(loss) for the year		**63.7**	(38.6)
Earnings/(loss) per share (cents)			
Basic	11	**3.8**	(2.2)
Diluted	11	**3.8**	(2.2)
Earnings/(loss) per share – continuing operations (cents)			
Basic	11	**3.6**	(2.2)
Diluted	11	**3.6**	(2.2)

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

Consolidated Statement of Comprehensive Income

for the financial year ended 31 March 2024

	2023-24 $ million	2022-23 $ million
Profit/(loss) for the year	**63.7**	(38.6)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Actuarial loss on defined benefit plan	**(3.2)**	(0.2)
Items that are or may be reclassified subsequently to profit or loss:		
Net fair value changes on financial assets	**(4.9)**	(0.4)
Hedge translation differences	**(12.4)**	12.4
Foreign currency translation differences	**(10.8)**	(55.2)
	(28.1)	(43.2)
Other comprehensive income for the year, net of tax	**(31.3)**	(43.4)
Total comprehensive income for the year	**32.4**	(82.0)
Total comprehensive income attributable to:		
Owners of the Company	**30.0**	(62.7)
Non-controlling interests	**2.4**	(19.3)
Total comprehensive income for the year	**32.4**	(82.0)

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

Statements of Financial Position

as at 31 March 2024

	Note	GROUP 31 Mar 2024 $ million	GROUP 31 Mar 2023 $ million	COMPANY 31 Mar 2024 $ million	COMPANY 31 Mar 2023 $ million
EQUITY					
Share capital	13	**1,162.0**	1,153.5	**1,162.0**	1,153.5
Treasury shares	13	**(0.4)**	(0.9)	**(0.4)**	(0.9)
Share-based compensation reserve	14,15	**6.4**	5.2	**6.4**	5.2
Foreign currency translation reserve	15	**(174.2)**	(168.5)	**–**	–
Revenue reserve		**1,395.1**	1,342.6	**1,648.8**	1,424.2
Other reserves*	15	**(13.9)**	1.7	**(30.2)**	(26.3)
Equity attributable to owners of the Company		**2,375.0**	2,333.6	**2,786.6**	2,555.7
Non-controlling interests	20	**184.5**	181.2	**–**	–
Total equity		**2,559.5**	2,514.8	**2,786.6**	2,555.7
ASSETS					
Property, plant and equipment	16	**796.4**	579.2	**12.5**	13.0
Right-of-use assets	17	**1,326.6**	321.0	**77.3**	79.6
Investment properties	18	**–**	–	**124.0**	131.6
Intangible assets	19	**3,511.2**	527.1	**24.0**	28.2
Investment in subsidiaries	20	**–**	–	**2,219.8**	934.5
Investment in associates	21	**445.8**	377.9	**226.1**	213.9
Investment in joint ventures	22	**338.3**	66.4	**24.6**	12.0
Deferred tax assets	23	**61.1**	55.6	**–**	–
Other receivables	25	**1.3**	–	**1,018.9**	350.0
Other non-current assets	24	**49.6**	23.7	**–**	6.1
Non-current assets		**6,530.3**	1,950.9	**3,727.2**	1,768.9
Trade and other receivables	25	**1,138.4**	485.1	**417.9**	2,155.9
Prepayments and deposits		**73.5**	20.6	**4.7**	5.8
Inventories	26	**73.0**	68.7	**0.5**	0.8
Cash and cash equivalents	27	**659.0**	374.4	**176.5**	181.4
Deposit with notary	20	**–**	1,774.0	**–**	–
Derivative assets		**5.8**	–	**–**	–
Current assets		**1,949.7**	2,722.8	**599.6**	2,343.9

* Other reserves consist of gain/(loss) on reissuance of treasury shares, capital reserve, fair value reserve and statutory reserve.

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

	Note	GROUP 31 Mar 2024 $ million	GROUP 31 Mar 2023 $ million	COMPANY 31 Mar 2024 $ million	COMPANY 31 Mar 2023 $ million
LIABILITIES					
Other payables	28	**176.5**	39.9	**18.5**	4.6
Notes and borrowings	29	**1,612.0**	1,133.5	**897.5**	1,101.3
Lease liabilities	30	**1,124.9**	290.8	**80.1**	78.6
Deferred tax liabilities	23	**205.7**	88.3	**23.9**	25.9
Derivative liabilities		**10.4**	–	**5.1**	–
Non-current liabilities		**3,129.5**	1,552.5	**1,025.1**	1,210.4
Trade and other payables	28	**1,382.4**	534.0	**278.6**	334.1
Notes and borrowings	29	**1,100.2**	13.0	**229.1**	–
Lease liabilities	30	**255.0**	41.1	**1.0**	3.6
Income tax payable		**53.4**	18.3	**6.4**	9.0
Current liabilities		**2,791.0**	606.4	**515.1**	346.7
Net current (liabilities)/assets		**(841.3)**	2,116.4	**84.5**	1,997.2
Net assets		**2,559.5**	2,514.8	**2,786.6**	2,555.7

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

Statements of Changes in Equity

for the financial year ended 31 March 2024

GROUP	Share Capital $ million	Treasury Shares $ million	Share-Based Compensation Reserve $ million	Foreign Currency Translation Reserve $ million	Revenue Reserve $ million	Statutory Reserve* $ million	Capital Reserve $ million	Loss on Reissuance of Treasury Shares $ million	Fair Value Reserve $ million	Total $ million	Non-controlling Interests $ million	Total Equity $ million
	Attributable to owners of the Company											
Balance at 1 April 2023	**1,153.5**	**(0.9)**	**5.2**	**(168.5)**	**1,342.6**	**14.0**	**1.2**	**(26.3)**	**12.8**	**2,333.6**	**181.2**	**2,514.8**
Profit	**–**	**–**	**–**	**–**	**56.4**	**–**	**–**	**–**	**–**	**56.4**	**7.3**	**63.7**
Other comprehensive income	**–**	**–**	**–**	**(5.7)**	**(3.3)**	**–**	**(0.1)**	**–**	**(17.3)**	**(26.4)**	**(4.9)**	**(31.3)**
Total comprehensive income for the year	**–**	**–**	**–**	**(5.7)**	**53.1**	**–**	**(0.1)**	**–**	**(17.3)**	**30.0**	**2.4**	**32.4**
Contributions by and distributions to owners												
Share-based compensation	**–**	**–**	**11.1**	**–**	**–**	**–**	**–**	**–**	**–**	**11.1**	**–**	**11.1**
Treasury shares transferred on payment of Directors' remuneration	**–**	**0.5**	**–**	**–**	**–**	**–**	**–**	**(0.2)**	**–**	**0.3**	**–**	**0.3**
Issuance of new shares pursuant to share-based compensation	**8.5**	**–**	**(9.9)**	**–**	**–**	**–**	**–**	**1.4**	**–**	**–**	**–**	**–**
Total contributions by and distributions to owners	**8.5**	**0.5**	**1.2**	**–**	**–**	**–**	**–**	**1.2**	**–**	**11.4**	**–**	**11.4**
Others												
Acquisition of subsidiary with non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**14.3**	**14.3**
Capital contribution from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6.7**	**6.7**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(20.1)**	**(20.1)**
Transfer to statutory reserve	**–**	**–**	**–**	**–**	**(0.6)**	**0.6**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 31 March 2024	**1,162.0**	**(0.4)**	**6.4**	**(174.2)**	**1,395.1**	**14.6**	**1.1**	**(25.1)**	**(4.5)**	**2,375.0**	**184.5**	**2,559.5**

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

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

Statements of Changes in Equity

for the financial year ended 31 March 2024

GROUP	Share Capital $ million	Treasury Shares $ million	Share-Based Compensation Reserve $ million	Foreign Currency Translation Reserve $ million	Revenue Reserve $ million	Statutory Reserve* $ million	Capital Reserve $ million	Loss on Reissuance of Treasury Shares $ million	Fair Value Reserve $ million	Total $ million	Non-controlling Interests $ million	Total Equity $ million
	Attributable to owners of the Company											
Balance at 1 April 2022	367.9	(8.5)	4.9	(119.5)	1,368.8	13.5	1.1	(26.4)	0.8	1,602.6	231.1	1,833.7
Loss	–	–	–	–	(26.5)	–	–	–	–	(26.5)	(12.1)	(38.6)
Other comprehensive income	–	–	–	(49.0)	0.8	–	–	–	12.0	(36.2)	(7.2)	(43.4)
Total comprehensive income for the year	–	–	–	(49.0)	(25.7)	–	–	–	12.0	(62.7)	(19.3)	(82.0)
Contributions by and distributions to owners												
Share-based compensation	–	–	8.9	–	–	–	–	–	–	8.9	–	8.9
Treasury shares reissued pursuant to share-based compensation plans	–	7.6	(7.3)	–	–	–	–	0.1	–	0.4	–	0.4
Issuance of new shares pursuant to share-based compensation	1.3	–	(1.3)	–	–	–	–	–	–	–	–	–
Issuance of new shares pursuant to rights issue	784.3	–	–	–	–	–	–	–	–	784.3	–	784.3
Total contributions by and distributions to owners	785.6	7.6	0.3	–	–	–	–	0.1	–	793.6	–	793.6
Others												
Purchase price allocation for acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	5.3	5.3
Capital contribution from non-controlling interests	–	–	–	–	–	–	0.1	–	–	0.1	0.2	0.3
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(36.1)	(36.1)
Transfer to statutory reserve	–	–	–	–	(0.5)	0.5	–	–	–	–	–	–
Balance at 31 March 2023	1,153.5	(0.9)	5.2	(168.5)	1,342.6	14.0	1.2	(26.3)	12.8	2,333.6	181.2	2,514.8

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

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

Statements of Changes in Equity

for the financial year ended 31 March 2024

COMPANY	Share Capital $ million	Treasury Shares $ million	Share-Based Compensation Reserve $ million	Revenue Reserve $ million	Loss on Reissuance of Treasury Shares $ million	Fair Value Reserve $ million	Total Equity $ million
Balance at 1 April 2023	**1,153.5**	**(0.9)**	**5.2**	**1,424.2**	**(26.3)**	**–**	**2,555.7**
Profit	**–**	**–**	**–**	**224.6**	**–**		**224.6**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(5.1)**	**(5.1)**
Total comprehensive income for the year	**–**	**–**	**–**	**224.6**	**–**	**(5.1)**	**219.5**
Contributions by and distributions to owners							
Share-based compensation	**–**	**–**	**11.1**	**–**	**–**	**–**	**11.1**
Treasury shares transferred on payment of Directors' remuneration	**–**	**0.5**	**–**	**–**	**(0.2)**	**–**	**0.3**
Issuance of new shares pursuant to share-based compensation	**8.5**	**–**	**(9.9)**	**–**	**1.4**	**–**	**–**
Total contributions by and distributions to owners	**8.5**	**0.5**	**1.2**	**–**	**1.2**	**–**	**11.4**
Balance at 31 March 2024	**1,162.0**	**(0.4)**	**6.4**	**1,648.8**	**(25.1)**	**(5.1)**	**2,786.6**
Balance at 1 April 2022	367.9	(8.5)	4.9	1,345.1	(26.4)	–	1,683.0
Profit	–	–	–	79.1	–	–	79.1
Total comprehensive income for the year	–	–	–	79.1	–	–	79.1
Contributions by and distributions to owners							
Share-based compensation	–	–	8.9	–	–	–	8.9
Treasury shares reissued pursuant to share-based compensation	–	7.6	(7.3)	–	0.1	–	0.4
Issuance of new shares pursuant to share-based compensation	1.3	–	(1.3)	–	–	–	–
Issuance of new shares pursuant to rights issue	784.3	–	–	–	–	–	784.3
Total contributions by and distributions to owners	785.6	7.6	0.3	–	0.1	–	793.6
Balance at 31 March 2023	1,153.5	(0.9)	5.2	1,424.2	(26.3)	–	2,555.7

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

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2024

	Note	2023-24 $ million	2022-23 $ million
Cash flows from operating activities			
Profit/(loss) before tax from continuing operations		**116.3**	(43.8)
Profit before tax from discontinued operation		**5.7**	–
Profit/(loss) before tax		**122.0**	(43.8)
Adjustments for:			
Finance expenses, net	7	**236.7**	8.7
Depreciation and amortisation charges		**536.4**	175.8
Unrealised foreign exchange (gain)/loss		**(8.6)**	0.4
Share of results of associates/joint ventures, net of tax		**(110.0)**	(45.4)
Loss/(gain) on disposal of property, plant and equipment	8	**0.8**	(13.0)
(Reversal)/ impairment loss on associates/joint ventures/long-term investment, net		**(0.4)**	1.7
Gain on disposal of associate		**–**	(1.9)
Share-based compensation expense	5	**11.1**	8.9
(Writeback)/provision for doubtful debts	25	**(3.3)**	0.2
Other non-cash items		**(1.6)**	2.3
Operating cash flows before working capital changes		**783.1**	93.9
Changes in:			
Receivables		**(287.2)**	(90.3)
Prepayments and deposits		**(10.1)**	16.2
Inventories		**1.0**	12.8
Payables		**206.9**	69.3
Cash generated from operations		**693.7**	101.9
Interest paid to third parties		**(154.0)**	(19.6)
Income taxes paid		**(27.6)**	(2.7)
Net cash from operating activities		**512.1**	79.6
Cash flows from investing activities			
Capital expenditure	27	**(185.6)**	(119.4)
Dividends from associates/joint ventures		**44.9**	23.6
Proceeds from sale of subsidiary, net of cash disposed of		**58.4**	–
Proceeds from sale of associate		**–**	3.1
Proceeds from disposal of property, plant and equipment		**2.4**	25.4
Investments in subsidiaries – net of cash acquired		**139.1**	–
Investment in joint ventures		**(12.7)**	(0.1)
Interest received from deposits		**21.5**	9.5
Deposit with notary		**–**	(1,774.0)
Net cash from/(used in) investing activities		**68.0**	(1,831.9)
Cash flows from financing activities			
Repayment of borrowings and notes payable	29	**(2,237.1)**	(106.4)
Payment of lease liabilities	29	**(374.7)**	(60.1)
Proceeds from borrowings and notes payable	29	**2,333.2**	752.9
Net proceeds from issuance of new shares pursuant to rights issue		**–**	789.7
Capital contribution from non-controlling interest		**6.7**	–
Dividends paid to non-controlling interest		**(20.1)**	(36.1)
Net cash (used in)/from financing activities		**(292.0)**	1,340.0
Net increase/(decrease) in cash and cash equivalents		**288.1**	(412.3)
Effect of exchange rate changes		**(3.5)**	0.7
Cash and cash equivalents at beginning of financial year		**374.4**	786.0
Cash and cash equivalents at end of financial year	27	**659.0**	374.4

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

Notes to the Financial Statements

31 March 2024

The consolidated financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 31 May 2024.

1. GENERAL

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

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

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

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("$" or "SGD"), which is the Company's functional currency and all values in the tables are expressed in million, unless otherwise indicated.

2.2 Changes in accounting policies

New standards and amendments

The Group has applied the new and revised standards and interpretations of SFRS(I) that are effective for the annual period beginning on 1 April 2023. The adoption of these standards and interpretations did not have any material effect on the financials of the Group and the Company, other than below:

A – Global minimum top-up tax

The Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules* provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdiction adoption of the Pillar Two model rules published by the Organisation for Economic Co- operation and Development ("OECD"), and require new disclosures about the Pillar Two exposure. The mandatory exception is effective immediately and applies retrospectively.

B – Material accounting policy information

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) 1-1 *Practice Statement 2: Disclosure of Accounting Policie*s for the first time in FY2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 – Material Accounting Policies (2023: Summary of Significant Accounting Policies) in certain instances in line with the amendments.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.3 New standards and interpretations not adopted

Certain new standards and amendments to standards that are effective from the Group's financial year ending 31 March 2025 onwards, but are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position are as follows:

Description	Effective from
Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non- current*	1 April 2024
Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback*	1 April 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 17 *Supplier Finance Arrangements*	1 April 2024
Amendments to SFRS(I) 1-21 *Lack of Exchangeability*	1 April 2024

2.4 Basis of consolidation and business combinations

Basis of consolidation

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

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

Business combinations

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

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

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

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.7. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Subsidiaries, associates and joint ventures

Subsidiaries

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

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

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

Associates and joint ventures

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

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

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

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

Associates and joint ventures (cont'd)

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

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

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

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

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

2.6 Property, plant and equipment

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.6 Property, plant and equipment (cont'd)

Useful lives of property, plant and equipment

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

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

Freehold buildings	–	50 to 55 years
Leasehold land and buildings	–	according to the lease period or 30 years whichever is the shorter
Office fittings and fixtures, and equipment	–	3 to 12 years
Motor vehicles	–	3 to 10 years

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

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

2.7 Intangible assets

Goodwill

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.7 Intangible assets (cont'd)

Other intangible assets

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

The useful lives of intangible assets are assessed as either finite or infinite.

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

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

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

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

Licence and concession comprise:

- abattoir licence which was acquired in a business combination. The abattoir licence is amortised on a straight-line basis over its estimated useful life of 14 years.
- operating rights acquired in business combinations which is amortised on a straight-line basis over its estimated useful life of 15 to 16 years.

Customer relationships were acquired in business combinations. The customer relationships are amortised on a straight-line basis over its estimated useful life of 10 to 25 years.

Trademarks were acquired in business combinations and have indefinite useful lives.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.8 Financial assets

(i) Recognition and initial measurement

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Equity investments at FVOCI

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

Financial assets at FVTPL

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.8 Financial assets (cont'd)

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

Financial assets: Business model assessment

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

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

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

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.8 Financial assets (cont'd)

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

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

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Equity investments at FVOCI

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

(iii) De-recognition

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

(iv) Derivatives and hedge accounting

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

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

Where derivatives qualify for hedge accounting, at inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. The Group's accounting policy for hedge accounting is set out in Note 2.14.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.9 Impairment of non-financial and financial assets

(i) Non-derivative financial assets

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

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

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

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

Simplified approach

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

General approach

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

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

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

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

(ii) Non-financial assets

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

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

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

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

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

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

2.10 Financial liabilities

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

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

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

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

(ii) De-recognition

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

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

(iii) Offsetting of financial instruments

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.11 Leases

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

(i) As a lessee

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

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

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 18.

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.11 Leases (cont'd)

(i) As a lessee (cont'd)

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

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

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

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.12 Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

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

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

Deferred tax (cont'd)

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

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

Sales tax

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

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

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

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

2.13 Revenue

Goods and services sold

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.13 Revenue (cont'd)

Rental income

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

Dividend income

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

Interest income

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

2.14 Hedge accounting

Hedges of a net investment

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

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

Cash flow hedges

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed below.

3.1 Impairment of non-financial assets

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

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

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

Significant estimates is involved in determining the recoverable amount of the CGU given the significant inherent risks associated with the projected revenue, cashflow, terminal growth rates and discount rates assumptions applied in the value in use calculation.

The Group recorded a net reversal of impairment amounting to $0.4 million in the financial year ended 31 March 2024 for investment in associate, joint venture and long-term investment (2023: impairment of $1.7 million) (Note 8).

Impairment and write-off of $1.9 million was recorded in the current financial year (2023: Nil) (Note 8) arising from the review of the recoverable amount of the Group's property, plant and equipment.

3.2 Accounting for acquisition of WFS Global Holdings SAS ("WFS")

During the financial year, the Group completed the acquisition of Neptune Holdings 1 B.V. (formerly Promontoria Holding 243 B.V.) which owns WFS.

The acquisition requires the evaluation of the fair values of the identifiable assets, including intangible assets acquired, and liabilities assumed. The evaluation of the fair values of identifiable assets and liabilities assumed involves significant estimates over the cashflow projection, discount rate, useful lives of assets and allocation of the resultant goodwill.

Refer to Note 20 for details of the WFS group acquisition.

4. REVENUE

The Group recognises revenue from the following sources:

	GROUP	
	2023-24 $ million	2022-23 $ million
CONTINUING OPERATIONS		
Food Solutions	**1,107.9**	869.3
Gateway Services	**4,041.2**	888.5
Others	**0.5**	0.5
	5,149.6	1,758.3
DISCONTINUED OPERATION		
Gateway services	**43.9**	–

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

Food Solutions

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

Gateway Services

Revenue from Gateway Services comprises revenue from both airport and cruise terminal services and trucking services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers. On the provision of cruise terminal services, the segment manages and operates Marina Bay Cruise Centre in Singapore and Kai Tak Cruise Terminal in Hong Kong. Trucking services are provided in Europe and North America region.

Revenue is recognised when services are delivered to the customers and all criteria to acceptance have been satisfied. Payment are due from customers based on the agreed billing term stipulated in the contracts.

Others

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

5. STAFF COSTS

	GROUP	
	2023-24 $ million	2022-23 $ million
Salaries, bonuses and other costs	**2,585.6**	841.7
Central Provident Fund and other defined contribution plans	**343.1**	94.3
Share-based compensation expense (Note 14)	**11.1**	8.9
Government grants	**(0.5)**	(53.1)
	2,939.3	891.8

6. OPERATING PROFIT/LOSS

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

	GROUP	
	2023-24 $ million	2022-23 $ million
Audit fee paid to		
– auditors of the Company and other firms associated with KPMG	**2.5**	1.0
– other auditors	**0.4**	0.4
Non-audit fee paid to		
– auditors of the Company and other firms associated with KPMG	**1.3**	0.3
– other auditors	*	0.1
Exchange loss, net	**8.4**	6.8
Inventories recognised as expenses	**226.9**	235.4
Inventories written down	**0.2**	1.6

* Amount is less than $0.1 million.

7. FINANCE EXPENSES AND FINANCE INCOME

	GROUP	
	2023-24 $ million	2022-23 $ million
Interest expenses – financial liabilities not measured at FVTPL	**(257.8)**	(18.6)
Unwind of discount on provision for assets reinstatement	**(0.3)**	–
Finance expenses	**(258.1)**	(18.6)
Interest income – financial assets at amortised cost	**21.4**	9.9
Finance income	**21.4**	9.9

8. OTHER NON-OPERATING LOSS, NET

	GROUP	
	2023-24 $ million	2022-23 $ million
(Loss)/gain on disposal of property, plant and equipment	**(0.8)**	13.0
Reversal/(impairment) for associate/joint venture/long-term investment, net	**0.4**	(1.7)
Impairment/write-off on property, plant and equipment	**(1.9)**	–
Merger and acquisition expenses	**–**	(44.9)
Others	**1.1**	1.1
	(1.2)	(32.5)

9. INCOME TAX EXPENSE/CREDIT

	GROUP	
	2023-24 $ million	**2022-23 $ million**
Current income tax:		
Current year	**52.4**	11.0
Over provision in respect of prior years	**(2.9)**	(6.7)
	49.5	4.3
Deferred income tax (Note 23):		
Origination and reversal of temporary differences	**2.3**	(11.5)
(Over)/under provision of deferred taxation in respect of prior years	**(2.2)**	0.1
	0.1	(11.4)
Withholding tax on share of results of associates/joint ventures	**2.2**	1.8
Other withholding tax expenses	**4.0**	0.1
Income tax expense/(credit) recognised in profit or loss	**55.8**	(5.2)
Reconciliation of effective tax rate		
Profit/(loss) before tax from continuing operations	**116.3**	(43.8)
Taxation at statutory tax rate of 17% (2023: 17%)	**19.8**	(7.4)
Adjustments		
Non-deductible expenses	**40.1**	17.6
Effect of different tax rates in other countries	**(6.7)**	(2.3)
Over provision of current income tax in respect of prior years	**(2.9)**	(6.7)
(Over)/under provision of deferred taxation in respect of prior years	**(2.2)**	0.1
Utilisation of previously unrecognised tax losses and capital allowances	**(12.8)**	(2.8)
Tax exempt income	**(6.5)**	(8.0)
Effect of share of results of associates/joint ventures	**(18.7)**	(7.7)
Withholding tax	**6.2**	1.9
Deferred tax assets not recognised	**39.3**	10.1
Others	**0.2**	–
Income tax expense /(credit) recognised in profit or loss	**55.8**	(5.2)

Global minimum top-up tax

The Group is within the scope of the Global Anti-Base Erosion ("GloBE") rules introduced by the OECD under the new global minimum top-up tax framework ("Pillar Two"). The rules apply a system of top- up taxes that brings the total amount of taxes paid on an entity's Pillar Two adjusted profit in a jurisdiction up to the minimum rate of 15%. Singapore plans to enact Pillar Two legislation which will come into effect from 1 January 2025, while some of the other countries that the Group operates in have either enacted or substantively enacted Pillar Two legislation to take effect from financial year beginning 1 April 2024.

The Group may be liable for top-up tax under Pillar Two from financial year starting 1 April 2024. While the Group is currently unable to reasonably estimate the quantitative impact of the potential top-up tax, analysis will continue to be undertaken to assess exposure.

10. DISCONTINUED OPERATION

The Company's indirect wholly-owned subsidiary, Worldwide Flight Services, Inc., sold the entire issued equity interests in Maytag Aircraft LLC ("Maytag") to a third party, Albion MA Holdings LLC on 15 March 2024 at net proceeds of US$45.6 million (approximately $60.7 million).

The profit and loss of Maytag for the financial year ended 31 March 2024 was presented as discontinued operation separately from continuing operations. No comparative information provided for the financial year ended 31 March 2023 as Maytag was not part of the Group.

The gain/loss on disposal of Maytag, results of discontinued operation, effect of disposal on the financial position of the Group and cash flow from discontinued operation is immaterial to the Group and therefore not disclosed in the note.

The profit from discontinued operation net of tax of $3.2 million is attributable entirely to the owners of the Company.

11. EARNINGS/(LOSS) PER SHARE

	GROUP	
	2023-24 $ million	**2022-23 $ million**
Profit/(loss) from continuing operations	**53.2**	(26.5)
Profit from discontinued operation	**3.2**	–
Profit/(loss) attributable to owners of the Company	**56.4**	(26.5)
	(in million)	**(in million)**
Weighted average number of ordinary shares (basic)	**1,487.3**	1,192.6
Adjustment for RSP and PSP	**4.1**	4.0
Weighted average number of ordinary shares (diluted)	**1,491.4**	1,196.6
Earnings/(Loss) per share (cents)		
Basic	**3.8**	(2.2)
Diluted	**3.8**	(2.2)
Earnings/(loss) per share – continuing operations (cents)		
Basic	**3.6**	(2.2)
Diluted	**3.6**	(2.2)

12. DIVIDENDS

Dividend proposed but not recognised as liability as at 31 March 2024:

	2023-24 $ million
Dividend on ordinary shares, subject to shareholder's approval at the Annual General Meeting – final dividend of 1.5 cents per ordinary share (one-tier tax exempt)	**22.4**

13. SHARE CAPITAL AND TREASURY SHARES

Share Capital

	GROUP AND COMPANY 31 March			
	2024 Number of shares (in million)	2023 Number of shares (in million)	2024 $ million	2023 $ million
Ordinary shares				
Balance at beginning of the year	**1,487.5**	1,124.1	**1,153.5**	367.9
Issuance of new shares pursuant to share-based compensation	**3.2**	0.3	**8.5**	1.3
Issuance of new shares pursuant to rights issue	**–**	363.1	**–**	784.3
Balance at end of the year	**1,490.7**	1,487.5	**1,162.0**	1,153.5

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

There were 3,237,210 ordinary shares issued pursuant to share-based compensation plans during the year (2023: 326,200).

Rights Issue

On 29 March 2023, the Company issued 323 rights shares for every 1,000 existing ordinary shares in the capital of the Company at $2.20 per rights share held by the shareholders of the Company. The Company raised net proceeds after transaction costs of $784.3 million by issuing 363,111,486 rights shares. The proceeds were used to fund the acquisition of Worldwide Flight Services ("WFS"). Refer to Note 20 for details of WFS acquisition.

Treasury Shares

	GROUP AND COMPANY 31 March			
	2024 Number of shares (in thousand)	2023 Number of shares (in thousand)	2024 $ million	2023 $ million
At beginning of the year	**198.3**	1,968.4	**0.9**	8.5
Shares reissued pursuant to share-based compensation plans	**(98.4)**	(1,770.1)	**(0.5)**	(7.6)
At end of the year	**99.9**	198.3	**0.4**	0.9

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

During the year, 98,400 (2023: 1,770,100) treasury shares were reissued pursuant to the share-based compensation plans – Restricted Share Plan (2023: 1,593,600 were reissued for the Restricted Share Plan and 176,500 were reissued for the Performance Share Plan).

14. SHARE-BASED COMPENSATION

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

The details of the two plans are described below:

Restricted Share Plan

For grants in FY2021-22 to FY2023-24	
Plan description	Award of fully-paid ordinary shares of the Company, conditional on achievement of both corporate pre-determined performance targets set over one-year period and individual performance
Performance conditions	Company financial and operating achievements
Vesting condition	Equal vesting over a three-year period
Payout	0% – 120% depending on the achievement based on prior financial year

Performance Share Plan

For grants in FY2020-21 to FY2022-23	
Plan description	Award of fully-paid ordinary shares of the Company, conditional on achievement of both pre-determined performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives and individual performance.
Performance conditions	• Absolute Total Shareholder Return • Transformation Scorecard
Vesting condition	Vesting based on meeting specified performance conditions over a three-year performance period.
Payout	0% – 150% depending on the achievement of specified performance targets over the performance period.

For grant in FY2023-24	
Plan description	Award of fully-paid ordinary shares of the Company, conditional on achievement of both pre-determined performance targets set at the start of a three-year overlapping performance period based on stretched long-term corporate objectives and individual performance.
Performance conditions	• Return on Invested Capital • Absolute Total Shareholder Return • Carbon Reduction
Vesting condition	Vesting based on meeting specified performance conditions over a three-year performance period.
Payout	0% – 150% depending on the achievement of specified performance targets over the performance period.

14. SHARE-BASED COMPENSATION (cont'd)

Fair values of RSP and PSP

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

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

RSP	Jul 2023	Jun 2022	Jun 2021
Expected dividend yield (%)	Management's forecast in line with dividend policy		
Expected volatility (%)	28.2	31.0	39.6
Risk-free interest rate (%)	4.0 – 3.6	2.1 – 2.6	0.4 – 0.5
Expected term (years)	0.2 – 2.0	0.2 – 2.0	0.2 – 2.0
Share price at date of grant ($)	2.58	3.97	4.02

PSP	Mar 2024	Jun 2022	Jun 2021	Aug 2020
Expected dividend yield (%)	Management's forecast in line with dividend policy			
Expected volatility (%)	25.2	33.6	32.6	26.1
Risk-free interest rate (%)	3.3	2.8	0.5	0.3
Expected term (years)	2.3	3.0	2.9	2.9
Index (for Relative TSR)	–	STI	STI	STI
Index volatility (%)	–	18.2	19.2	17.6
Correlation with index (%)	–	0.8	0.7	0.7
Share price at date of grant ($)	2.51	3.75	3.99	2.91

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

Movement of RSP and PSP shares award during the year

RSP

	Number of restricted shares				
Date of grant	Balance at 01 April 2023/ Date of grant	Vested	Forfeited	Adjustment#	Balance at 31 March 2024
25 June 2021	477,200	(495,778)	(8,300)	26,878	**–**
24 June 2022	1,588,500	(834,032)	(128,535)	89,200	**715,133**
3 July 2023	5,074,600	(1,696,700)	(240,300)	–	**3,137,600**
8 August 2023	98,400	(98,400)	–	–	**–**
	7,238,700	(3,124,910)	(377,135)	116,078	**3,852,733**

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

14. SHARE-BASED COMPENSATION (cont'd)

Movement of RSP and PSP shares award during the year (cont'd)

PSP

	Number of performance shares				
Date of grant	Balance at 01 April 2023/ Date of grant	Vested	Forfeited	Adjustment#	Balance at 31 March 2024
20 August 2020	462,500	(210,700)	–	(251,800)	**–**
02 August 2021	345,000	–	(116,325)	19,836	**248,511**
24 June 2022	246,300	–	(31,724)	14,161	**228,737**
22 March 2024	570,000	–	–	–	**570,000**
	1,623,800	(210,700)	(148,049)	(217,803)	**1,047,248**

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

The estimated weighted average fair values at date of grant for each share granted during the year under the PSP is $2.14 (2023: $2.16) based on the Monte Carlo simulation model.

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

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

The number of contingent shares granted but not released as at 31 March 2024 were 3,852,733 (2023: 2,065,700) and 1,047,248 (2023: 1,053,800) for RSP and PSP respectively. Based on the achievement factor, the actual release of the awards is 3,852,733 (2023: 2,065,700) and zero to a maximum of 1,570,872 (2023: 1,580,700) fully-paid ordinary shares of the Company, for RSP and PSP respectively.

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

	GROUP	
	2023-24 $ million	2022-23 $ million
Share-based compensation expense		
Restricted Share Plan	**11.1**	8.7
Performance Share Plan	*	0.2
	11.1	8.9

* Amount is less than $0.1 million.

15. RESERVES

(a) Share-based Compensation Reserve

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

(b) Statutory Reserve

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

(c) Foreign Currency Translation Reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The foreign currency translation reserve is also used to record the effect of hedging of net investments in a foreign operation (Note 29).

(d) Fair Value Reserve

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

(e) Capital Reserve

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

(f) Gain or Loss on Reissuance of Treasury Shares

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

16. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold land and buildings $ million	Leasehold land and buildings $ million	Office fittings and fixtures $ million	Equipment $ million	Motor vehicles $ million	Work in progress $ million	Total $ million
Cost							
At 1 April 2022	86.8	1,090.4	200.2	776.0	67.0	74.1	2,294.5
Additions (Note 27)	0.1	39.5	6.9	20.0	1.6	39.7	107.7
Disposals	(21.4)	(5.2)	(8.9)	(28.2)	(5.2)	–	(69.0)
Translation	(17.3)	(8.5)	(1.2)	(9.0)	(2.2)	(2.1)	(40.3)
Reclassifications	–	15.9	16.7	8.7	–	(41.3)	–
Transfer to intangible assets	–	–	0.3	0.1	–	(2.0)	(1.5)
At 31 March 2023 and 1 April 2023	48.2	1,132.1	214.0	767.6	61.2	68.4	2,291.5
Additions (Note 27)	0.9	7.6	31.3	59.0	1.3	90.2	190.3
Disposals	(0.2)	–	(1.4)	(14.2)	(3.3)	(0.3)	(19.4)
Translation	(22.9)	3.8	(1.2)	(5.0)	(0.8)	(4.5)	(30.6)
Reclassifications	18.3	8.2	2.2	36.0	–	(64.7)	–
Transfer from IA	–	–	–	–	–	0.6	0.6
Acquisition of subsidiaries	105.9	–	–	392.8	25.0	19.9	543.6
Impairment/write-off	(0.3)	–	–	8.4	3.8	(15.2)	(3.3)
At 31 March 2024	149.9	1,151.7	244.9	1,244.6	87.2	94.4	2,972.7

16. PROPERTY, PLANT AND EQUIPMENT (cont'd)

GROUP	Freehold land and buildings $ million	Leasehold land and buildings $ million	Office fittings and fixtures $ million	Equipment $ million	Motor vehicles $ million	Work in progress $ million	Total $ million
Accumulated depreciation and impairment losses							
At 1 April 2022	23.5	853.2	149.2	629.1	45.4	4.5	1,704.9
Disposals	(9.2)	(5.2)	(8.9)	(28.1)	(5.2)	–	(56.6)
Depreciation	3.6	33.6	13.4	35.6	4.5	–	90.7
Translation	(12.1)	(5.6)	(0.7)	(6.8)	(1.6)	–	(26.8)
At 31 March 2023 and 1 April 2023	5.8	876.0	153.0	629.8	43.1	4.5	1,712.2
Acquisition of Subsidiaries	85.6	–	–	253.9	16.0	–	355.5
Depreciation	6.3	33.0	17.3	77.6	6.4	–	140.6
Disposals	–	–	(1.4)	(11.7)	(3.2)	–	(16.3)
Translation	(19.6)	4.0	(0.5)	2.4	(0.4)	–	(14.1)
Reclassification	–	0.3	(0.8)	0.5	–	–	–
Impairment/write-off	(0.3)	0.1	(0.6)	0.5	(1.3)	–	(1.4)
At 31 March 2024	77.8	913.4	167.0	953.0	60.6	4.5	2,176.3
Carrying amounts							
At 1 April 2022	63.3	237.2	51.0	146.9	21.6	69.6	589.6
At 31 March 2023	42.4	256.0	61.0	137.8	18.1	63.9	579.2
At 31 March 2024	72.0	238.1	78.1	291.6	26.6	90.0	796.4

The Group's property, plant and equipment with a carrying amount of $19.5 million (2023: $21.5 million) are pledged to secure the Group's term loans (Note 29).

16. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY	Equipment $ million	Motor vehicles $ million	Work in progress $ million	Total $ million
Cost				
At 1 April 2022	20.2	0.1	10.1	30.4
Reclassification/transfer to investment properties (Note 18)	3.3	–	(7.7)	(4.4)
Additions	0.6	–	0.6	1.2
Disposals	(0.1)	–	–	(0.1)
At 31 March 2023 and 1 April 2023	24.0	0.1	3.0	27.1
Reclassification/transfer to investment properties (Note 18)	1.5	–	(1.8)	(0.3)
Reclassification/transfer to intangible asset (Note 19)	–	–	0.4	0.4
Additions	1.0	–	4.3	5.3
Disposals	(1.8)	–	–	(1.8)
Impairment	–	–	(2.1)	(2.1)
At 31 March 2024	24.7	0.1	3.8	28.6
Accumulated depreciation				
At 1 April 2022	11.5	0.1	–	11.6
Depreciation	2.6	–	–	2.6
Disposals	(0.1)	–	–	(0.1)
At 31 March 2023 and 1 April 2023	14.0	0.1	–	14.1
Depreciation	3.8	–	–	3.8
Disposals	(1.8)	–	–	(1.8)
At 31 March 2024	16.0	0.1	–	16.1
Carrying amounts				
At 1 April 2022	8.7	–	10.1	18.8
At 31 March 2023	10.0	–	3.0	13.0
At 31 March 2024	8.7	–	3.8	12.5

Notes to the Financial Statements

31 March 2024

17. RIGHT-OF-USE ASSETS

GROUP	Leasehold land and buildings $ million	Others $ million	Total $ million
Cost			
At 1 April 2022	435.1	4.7	439.8
Additions	70.6	0.7	71.3
Disposals	(1.3)	(0.1)	(1.4)
Translation	(12.8)	(0.3)	(13.1)
At 31 March 2023 and 1 April 2023	491.6	5.0	496.6
Acquisition of subsidiaries	734.7	152.7	887.4
Additions	403.0	117.5	520.5
Disposals	(82.9)	(27.6)	(110.5)
Translation	13.1	2.4	15.5
At 31 March 2024	1,559.5	250.0	1,809.5
Accumulated depreciation			
At 1 April 2022	123.5	3.5	127.0
Amortisation	52.9	0.8	53.7
Disposals	(1.0)	(0.1)	(1.1)
Translation	(3.8)	(0.2)	(4.0)
At 31 March 2023 and 1 April 2023	171.6	4.0	175.6
Acquisition of subsidiaries	0.5	–	0.5
Amortisation	253.6	74.3	327.9
Disposals	(10.7)	(13.3)	(24.0)
Translation	1.6	1.3	2.9
At 31 March 2024	416.6	66.3	482.9
Carrying amounts			
At 31 March 2022	311.6	1.2	312.8
At 31 March 2023	320.0	1.0	321.0
At 31 March 2024	1,142.9	183.7	1,326.6

17. RIGHT-OF-USE ASSETS (cont'd)

COMPANY	Leasehold land and buildings $ million
Cost	
At 1 April 2022	71.1
Additions	25.1
At 31 March 2023 and 1 April 2023	96.2
Additions	2.8
At 31 March 2024	99.0
Accumulated depreciation	
At 1 April 2022	11.6
Amortisation	5.0
At 31 March 2023 and 1 April 2023	16.6
Amortisation	5.1
At 31 March 2024	21.7
Carrying amounts	
At 31 March 2022	59.5
At 31 March 2023	79.6
At 31 March 2024	77.3

18. INVESTMENT PROPERTIES

	GROUP $ million	COMPANY $ million
Cost		
At 1 April 2022	7.2	795.5
Additions	–	2.8
Disposals	–	(0.1)
Transfer from property, plant and equipment (Note 16)	–	4.4
At 31 March 2023 and 1 April 2023	7.2	802.6
Additions	–	16.1
Disposals	–	(0.2)
Transfer from property, plant and equipment (Note 16)	–	0.3
At 31 March 2024	7.2	818.8
Accumulated depreciation		
At 1 April 2022	7.2	647.9
Depreciation	–	23.2
Disposals	–	(0.1)
At 31 March 2023 and 1 April 2023	7.2	671.0
Depreciation	–	24.0
Disposals	–	(0.2)
At 31 March 2024	7.2	694.8
Carrying amounts		
At 1 April 2022	–	147.6
At 31 March 2023	–	131.6
At 31 March 2024	–	124.0

The Group's and the Company's investment properties consist of office-cum-warehouses and inflight catering facilities in Singapore. The Company's investment properties are rented out to subsidiaries of the Group for their operational needs.

Investment properties are stated at cost, net of depreciation and any accumulated impairment losses. Depreciation is provided on the straight-line basis so as to write off the cost of the investment properties over their estimated useful lives.

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

The property rental income earned by the Group and Company for the year ended 31 March 2024 from its investment properties which are leased out under operating leases, amounted to $0.1 million and $49.3 million (2023: $0.3 million and $49.5 million) respectively.

Direct operating expenses (including repairs and maintenance) incurred on rental-earning investment properties amounted to $0.2 million and $37.6 million (2023: $0.2 million and $35.5 million) for the Group and Company respectively.

18. INVESTMENT PROPERTIES (cont'd)

Measurement of fair value

As at 31 March 2024, the fair value of the Group's and the Company's investment properties amounted to $11.0 million and $369.0 million respectively.

As at 31 March 2023, the fair value of the Group's investment property amounted to $11.5 million.

The valuations for the disclosed fair values of the investment properties were performed by an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. The fair value of the investment properties disclosed are based on the most recent valuations as at 31 March 2024.

The valuation of investment properties are categorised within level 3 of the fair value hierarchy. The valuation is based on the "Income Approach" that makes reference to capitalisation rates. The capitalisation rates used range from 6.5% to 10.5%. A significant increase (decrease) in capitalisation rates would result in a significantly lower (higher) fair value measurement.

19. INTANGIBLE ASSETS

GROUP	Software development $ million	Licence $ million	Customer relationships $ million	Trademark $ million	Goodwill $ million	Work in progress $ million	Total $ million
Cost							
At 1 April 2022	129.7	27.1	238.7	–	324.4	34.5	754.4
Reclassification	15.4	–	–	–	–	(15.4)	–
Transfer from property, plant and equipment	1.5	–	–	–	–	–	1.5
Additions (Note 27)	5.5	–	–	–	–	11.0	16.5
Disposal	(26.0)	–	–	–	–	–	(26.0)
Purchase price allocation adjustment*	–	78.1	(59.7)	–	(10.0)	–	8.4
Translation	(1.0)	(0.4)	(6.4)	–	(14.1)	–	(21.9)
At 31 March 2023 and 1 April 2023	125.1	104.8	172.6	–	300.3	30.1	732.9
Acquisition of subsidiaries	35.3	29.4	734.1	212.6	2,069.2	–	3,080.6
Disposal of subsidiary	–	–	(15.2)	–	–	–	(15.2)
Reclassification	24.1	–	–	–	–	(24.1)	–
Transfer from property, plant and equipment	–	–	–	–	–	(0.6)	(0.6)
Additions (Note 27)	5.0	–	–	–	–	4.7	9.7
Disposal	(11.3)	–	–	–	–	–	(11.3)
Translation	(0.2)	(5.2)	9.3	1.3	5.3	0.6	11.1
At 31 March 2024	178.0	129.0	900.8	213.9	2,374.8	10.7	3,807.2

19. INTANGIBLE ASSETS (cont'd)

GROUP	Software development $ million	Licence $ million	Customer relationships $ million	Trademark $ million	Goodwill $ million	Work in progress $ million	Total $ million
Accumulated depreciation							
At 1 April 2022	109.6	25.5	66.1	–	–	–	201.2
Amortisation	6.8	5.2	19.4	–	–	–	31.4
Disposal	(25.8)	–	–	–	–	–	(25.8)
Translation	(0.7)	–	(0.3)	–	–	–	(1.0)
At 31 March 2023 and 1 April 2023	89.9	30.7	85.2	–	–	–	205.8
Acquisition of subsidiaries	33.1	–	–	–	–	–	33.1
Disposal of subsidiary	–	–	(4.1)	–	–	–	(4.1)
Amortisation	17.0	6.4	48.6	–	–	–	72.0
Disposal	(11.3)	–	–	–	–	–	(11.3)
Translation	(0.2)	(0.1)	0.8	–	–	–	0.5
At 31 March 2024	128.5	37.0	130.5	–	–	–	296.0
Carrying amounts							
At 1 April 2022	20.1	1.6	172.6	–	324.4	34.5	553.2
At 31 March 2023	35.2	74.1	87.4	–	300.3	30.1	527.1
At 31 March 2024	49.5	92.0	770.3	213.9	2,374.8	10.7	3,511.2

* The "purchase price allocation adjustment" in financial year 2023 pertains to the adjustments following the finalisation of the purchase price allocation for the acquisition of Asia Airfreight Terminal Co. Ltd.

Customer relationships and licence

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

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

Trademark

As at 31 March 2024, indefinite life trademarks amount to $213.9 million (2023: $ Nil). The indefinite life trademark arose from the acquisition of the WFS group in FY2024 and relates to the use of the "WFS" trademark. The WFS trademark is used as an umbrella trademark for all the WFS group's activities and geographies, except for non-core businesses (e.g. trucking services in the US).

The Group has assessed the WFS trademark as having indefinite useful lives as the Group has exclusive access to the use of these trademark. The WFS trademark is a material asset of the WFS group as it is associated with the group's global leading position in the cargo industry, its global footprint, and the quality of the services provided. The trademark is expected to be used indefinitely by the Group as they relate to continuing businesses that have a proven track record with stable cash flows.

19. INTANGIBLE ASSETS (cont'd)

Impairment testing for CGUs containing indefinite life trademark and goodwill

The Group's indefinite life trademark and goodwill arising from business combinations have been allocated to the cash-generating units ("CGU") for impairment testing.

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

	31 Mar 2024 $ million	31 Mar 2023 $ million
SATS Food Services ("SFS")	**111.8**	111.8
Ground Team Red Holdings Sdn. Bhd. ("GTRH")	**89.4**	94.3
WFS EMEAA	**845.6**	–
WFS America	**1,235.2**	–
Multiple units without significant goodwill	**92.8**	94.2
	2,374.8	300.3

Impairment testing for CGU is carried out annually. There was no impairment loss recorded in the current and last financial year. The WFS trademark was also included in the CGU used in the goodwill impairment testing.

Key assumptions used in the value in use calculations

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

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

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

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

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

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial forecasts approved by management covering a five to ten years period. The recoverable amount of the CGU is highly sensitive to the financial projection.

19. INTANGIBLE ASSETS (cont'd)

The discount rate applied to the cash flow projections and the forecasted terminal growth rates used to extrapolate cash flow projections beyond the terminal year are as follows:

	Terminal value growth rates		Pre-tax discount rates	
	31 Mar 2024 %	31 Mar 2023 %	31 Mar 2024 %	31 Mar 2023 %
SFS	**2.0**	1.3	**7.8**	8.9
GTRH	**2.1**	2.3	**12.9**	13.5
WFS EMEAA*	**2.0**	–	**10.3**	–
WFS America*	**2.2**	–	**11.8**	–

* No comparative information for WFS EMEAA and WFS America as WFS was acquired on 3 April 2023.

COMPANY	Software $ million	Work in progress $ million	Total $ million
Cost			
At 1 April 2022	45.7	10.3	56.0
Additions	4.8	2.8	7.6
Disposals	(13.5)	–	(13.5)
Reclassification	8.5	(8.5)	–
At 31 March 2023 and 1 April 2023	45.5	4.6	50.1
Additions	0.2	1.7	1.9
Disposals	(4.8)	(0.4)	(5.2)
Reclassification	2.7	(2.7)	–
Transfer from property, plant and equipment (Note 16)	–	(0.4)	(0.4)
At 31 March 2024	43.6	2.8	46.4
Accumulated amortisation			
At 1 April 2022	31.0	–	31.0
Amortisation	4.2	–	4.2
Disposals	(13.3)	–	(13.3)
At 31 March 2023 and 1 April 2023	21.9	–	21.9
Amortisation	5.3	–	5.3
Disposals	(4.8)	–	(4.8)
At 31 March 2024	22.4	–	22.4
Carrying amounts			
At 1 April 2022	14.7	10.3	25.0
At 31 March 2023	23.6	4.6	28.2
At 31 March 2024	21.2	2.8	24.0

20. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million
Unquoted shares, at cost	**2,247.1**	960.7
Impairment loss	**(27.3)**	(26.2)
	2,219.8	934.5

Details of key subsidiaries are as follows:

Name of key subsidiaries	Principal activities and country of incorporation	Equity held by the Group 31 Mar 2024 %	Equity held by the Group 31 Mar 2023 %
SATS Airport Services Pte. Ltd. [a,c]	Airport ground handling services (Singapore)	**100**	100
SATS Catering Pte. Ltd. [a,c]	Inflight catering services (Singapore)	**100**	100
SATS Investments (III) Pte. Ltd.	Investment holding (Singapore)	**100**	100
SATS Treasury Pte. Ltd.	Treasury services (Singapore)	**100**	100
Ground Team Red Holdings Sdn. Bhd.	Investment holding (Malaysia)	**50**	50
Neptune Holdings 4 B.V.	Investment holding (Netherland)	**100**	–
WFS Global	Investment holding (France)	**100**	–
Mercury Air Cargo LLC [b,c]	Air cargo handling services (United States)	**100**	–
WFS Holding SA	Investment holding (France)	**100**	–
WFS Holding, INC (US)	Investment holding (United States)	**100**	–
WFS Acquisition	Investment holding (France)	**100**	–

20. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of key subsidiaries	Principal activities and country of incorporation	Equity held by the Group 31 Mar 2024 %	Equity held by the Group 31 Mar 2023 %
WFS Servicios Aeroportuarios [b,c]	Air cargo handling services (Spain)	**100**	–
Worldwide Flight Services, Inc	Air cargo handling services (United States)	**100**	–

a. Audited by KPMG LLP, Singapore.
b. Audited by member firms of KPMG International in the respective countries.
c. Significant subsidiaries in FY2023-24 in accordance with Rule 718 of the Singapore Exchange Securities Trading Limited – Listing Rules.

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

The Group has the following subsidiary that has NCI that are material to the Group:

Name of subsidiary (Place of business)	Proportion of ownership interest held by NCI %	Loss allocated to NCI during the reporting period $ million	Accumulated NCI at the end of reporting period $ million	Dividends paid to NCI $ million
Asia Airfreight Terminal Co. Ltd (Hong Kong)				
31 March 2024	34.6	(1.1)	(62.2)	(11.8)
31 March 2023	34.6	(6.7)	(61.1)	(36.1)

Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material NCI is as follows:

Summarised statement of comprehensive income:

	AAT 2023-24 $ million	AAT 2022-23 $ million
Revenue	**140.0**	119.2
Loss before tax	**(5.6)**	(22.1)
Income tax credit	**2.5**	2.8
Loss after tax	**(3.1)**	(19.3)
Other comprehensive income	**(1.0)**	(29.4)
Total comprehensive income	**(4.1)**	(48.7)

20. INVESTMENT IN SUBSIDIARIES (cont'd)

Summarised statement of financial position as at 31 March:

	AAT 31 Mar 2024 $ million	AAT 31 Mar 2023 $ million
Current assets	**87.1**	74.5
Current liabilities	**(80.8)**	(55.1)
	6.3	19.4
Non-current assets	**273.4**	313.5
Non-current liabilities	**(100.2)**	(119.9)
	173.2	193.6
Net assets	**179.5**	213.0

Other summarised information:

	AAT 2023-24 $ million	AAT 2022-23 $ million
Net cash inflow from operations	**52.3**	24.5
Acquisition of significant property, plant and equipment, and intangible assets	**(5.0)**	(4.9)

Acquisition of 100% of the shares in WFS Global Holdings SAS ("WFS")

On 28 September 2022, the Company signed a sale and purchase agreement ("SPA") to acquire 100% of the shares of Neptune Holdings 1 B.V. (formerly known as Promontoria Holding 243 B.V.), which owns 100% of the shares of global air cargo logistics provider, WFS.

As at 31 March 2023, the Company placed a deposit of $1,774.0 million with the notary in anticipation of the acquisition. This was funded through a combination of rights issue with net proceeds after transaction costs of $784.3 million and EUR-denominated term loan of $723.5 million, with the remaining amount funded through SATS' existing cash balances.

The acquisition was completed on 3 April 2023 with SATS obtaining control over WFS group. The acquisition is part of the Company's strategy to expand its cargo handling network and accelerate innovation to drive sustainable business growth.

For the year ended 31 March 2024, WFS contributed revenue of $2,911.9 million and operating profit of $187.2 million (including amortisation of intangible assets arising from PPA) to the Group's results. Management assessed that the consolidated revenue and operating profit of the Group would not be materially different if the acquisition had occurred on 1 April 2023.

Consideration transferred

The total purchase consideration for the acquisition of $1,783.2 million was paid in cash, including an additional consideration of $9.2 million that was transferred directly from SATS to the seller in April 2023.

20. INVESTMENT IN SUBSIDIARIES (cont'd)

Acquisition of 100% of the shares in WFS Global Holdings SAS ("WFS") (cont'd)

Acquisition-related cost

The Group incurred acquisition-related costs of $44.9 million on legal, advisory and due diligence costs. These costs were expensed off in the financial year ended 31 March 2023 as incurred.

Identifiable assets acquired and liabilities assumed

The goodwill, fair value of identifiable assets acquired and liabilities assumed at the acquisition date assessed by an independent valuation specialist were summarised below:

	Final amount at 3 April 2023 $ million
Property, plant and equipment	188.1
Right-of-use assets	886.9
Intangible assets	978.3
Investment in joint ventures	270.2
Other non-current assets	36.3
Trade and other receivables	474.3
Cash and bank balances	148.0
Other current assets	62.7
	3,044.8
Notes and borrowings	(1,553.0)
Other long-term liabilities	(959.1)
Trade and other payables	(578.3)
Other current liabilities	(238.6)
	(3,329.0)
Non-controlling interest	(14.2)
Net identifiable liabilities at fair value	(298.4)
Consideration transferred	1,783.2
Less: Net identifiable liabilities at fair value	298.4
	2,081.6
Less: Effect of hedge accounting in 2022-23 for projected acquisition	(12.4)
Goodwill arising from acquisition	2,069.2

Trade receivables comprised gross contractual amount of $287.9 million, of which $18.4 million was expected to be uncollectable at the date of acquisition. The carrying value of the trade receivables approximates its fair value.

20. INVESTMENT IN SUBSIDIARIES (cont'd)

Acquisition of 100% of the shares in WFS Global Holdings SAS ("WFS") (cont'd)

Measurement of fair value

The valuation techniques used for measuring fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Customer relationships	Multi-period excess earnings method This method considers the present value of net cash flows expected to be generated by the customer relationships, excluding any cash flows related to contributory assets.
Trademark	Relief-from-royalty method This method considers the discounted estimated royalty payments that are expected to be avoided as result of the trademark being owned.
Property, plant and equipment	Depreciated replacement cost approach This approach reflects the adjustments for physical deterioration as well as functional and economic obsolescence.
Right-of-use assets	Adjusted present value of remaining lease payments Right-of-use assets were measured as the present value of remaining lease payments, adjusted for favourable or unfavourable terms. The identification and measurement of such favourable or unfavourable terms was based on the Market comparison technique. Market comparison technique This approach considers market prices for similar items when they are available.
Investment in joint ventures	Discounted cash flow method This method considers the discounted forecast free cash flows to the valuation date using an appropriate rate of return.

Contingent liabilities

The liabilities assumed at date of acquisition include contingent liabilities arising from a potential loss-making contract and legal claims.

Goodwill

The goodwill amounting to $2,069.2 million arose from the acquisition of 100% equity interest in WFS. This was attributable to initiatives that include cross-selling, network expansion and deeper eCommerce cargo partnerships across the SATS Group. The Group continues to retain the tax benefit associated with the historical acquisition by WFS previously amounting to $185.9 million.

21. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Investment in associates	**455.9**	400.7	**282.8**	282.8
Impairment loss	**(10.1)**	(22.8)	**(56.7)**	(68.9)
	445.8	377.9	**226.1**	213.9

Amortisation of intangible assets

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

The Group has not recognised losses where its share of losses exceeds the Group's interest in the associates. The Group's cumulative share of unrecognised losses at the end of the reporting period was $113.5 million (2023: $106.8 million), of which $17.0 million (2023: $51.5 million) was the share of the current year's losses. The Group has no obligation in respect of these unrecognised losses.

Corporate Guarantee

The Group has issued a financial guarantee to financial institution for granting of credit and banking facilities to an associate whereby the Group (i) provided a proportionate guarantee up to a maximum amount of approximately $21.4 million (2023: $25.1 million), (ii) pledged its shares in the associate as collateral and (iii) provided an undertaking to lenders that it will maintains its ownership in the associate, and will provide any shortfall in resources and support as required.

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

		Equity held by the Group	
Name of companies	Principal activities (Place of business)	31 Mar 2024 %	31 Mar 2023 %
PT Jasa Angkasa Semesta, Tbk ("PT Jas")	Ground and cargo handling (Indonesia)	**49.8**	49.8
PT Cardig Aero Services Tbk ("PT Cas")	Aviation support and catering services (Indonesia)	**41.7**	41.7
Evergreen Sky Catering Corporation ("ESCC")	Inflight catering services (Taiwan)	**25.0**	25.0

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

21. INVESTMENT IN ASSOCIATES (cont'd)

	31 Mar 2024 $ million	31 Mar 2023 $ million
PT Jas	**72.2**	68.7
PT Cas	**87.7**	85.6
ESCC	**63.0**	56.1
Other associates	**222.9**	167.5
	445.8	377.9
Fair value of PT Cas based on the quoted market price at reporting date (Level 1 in the fair value hierarchy)	**78.4**	32.2

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

	2023-24 $ million	2022-23 $ million
Share of profit after tax	**55.1**	16.2
Other comprehensive income	**(3.0)**	(8.8)
Total comprehensive income	**52.1**	7.4

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

	PT Jas		PT Cas		ESCC	
	2023-24 $ million	2022-23 $ million	2023-24 $ million	2022-23 $ million	2023-24 $ million	2022-23 $ million
Revenue	**161.5**	141.1	**214.0**	165.7	**86.4**	104.7
Profit after tax	**38.4**	31.3	**19.7**	11.3	**44.1**	4.9
Other comprehensive income	**(0.1)**	–	**(0.2)**	0.5	**(1.1)**	(11.6)
Total comprehensive income	**38.3**	31.3	**19.5**	11.8	**43.0**	(6.7)

21. INVESTMENT IN ASSOCIATES (cont'd)

Summarised statement of financial position as at 31 March:

	PT Jas		PT Cas		ESCC	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Current assets	**69.4**	64.1	**97.5**	68.8	**60.6**	50.6
Non-current assets	**45.1**	48.4	**77.6**	79.6	**254.0**	287.2
	114.5	112.5	**175.1**	148.4	**314.6**	337.8
Current liabilities	**39.1**	45.9	**70.5**	69.3	**32.5**	49.3
Non-current liabilities	**8.2**	10.2	**12.1**	14.6	**34.9**	75.7
	47.3	56.1	**82.6**	83.9	**67.4**	125.0
Net assets	**67.2**	56.4	**92.5**	64.5	**247.2**	212.8

	PT Jas		PT Cas		ESCC	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Net assets excluding goodwill	**67.2**	56.4	**91.2**	63.1	**247.2**	212.8
Less: Non-controlling interest	**–**	–	**(33.8)**	(22.4)	**–**	–
	67.2	56.4	**57.4**	40.7	**247.2**	212.8
Proportion of the Group's ownership	**49.8%**	49.8%	**41.7%**	41.7%	**25.0%**	25.0%
Group's share of net assets	**33.5**	28.1	**23.9**	16.9	**61.8**	53.2
Goodwill on acquisition and intangible assets	**38.7**	40.5	**63.8**	68.7	**1.2**	2.9
Carrying amount of the investment	**72.2**	68.6	**87.7**	85.6	**63.0**	56.1
Group's interest in net assets of investee at beginning of the year	**68.7**	66.9	**85.6**	87.7	**56.1**	61.1
Group's share of:						
Profit/(loss) after tax	**19.1**	15.6	**6.2**	2.6	**9.2**	(0.7)
Other comprehensive income	**(3.3)**	(3.3)	**(4.1)**	(4.7)	**(2.3)**	(4.3)
Total comprehensive income	**15.8**	12.3	**2.1**	(2.1)	**6.9**	(5.0)
Dividends received during the year	**(12.3)**	(10.5)	**–**	–	**–**	–
Carrying amount of interest in investee at end of the year	**72.2**	68.7	**87.7**	85.6	**63.0**	56.1

22. INVESTMENT IN JOINT VENTURES

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Investment in joint ventures	**338.3**	66.4	**24.6**	12.0

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

		Equity held by the Group	
Name of companies	Principal activities (Place of business)	31 Mar 2024 %	31 Mar 2023 %
FCS Frankfurt Cargo Services GMBH ("FCS")	Air cargo handling services (Germany)	**51.0**	–
Dunwoody Airline Services LTD ("DAS")	Air cargo handling services (United Kingdom)	**60.0**	–
Air India SATS Airport Services Private Limited ("AISATS")	Ground handling and cargo handling services (India)	**50.0**	50.0

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

	31 Mar 2024 $ million	31 Mar 2023 $ million
FCS	**78.7**	–
DAS	**71.9**	–
AISATS	**61.1**	42.2
Other joint ventures	**126.6**	24.2
	338.3	66.4

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

	2023-24 $ million	2022-23 $ million
Share of profit after tax	**21.6**	0.3
Other comprehensive income	**(0.4)**	(1.2)
Total comprehensive income	**21.2**	(0.9)

22. INVESTMENT IN JOINT VENTURES (cont'd)

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

	FCS*	DAS*	AISATS	
	2023-24 $ million	2023-24 $ million	2023-24 $ million	2022-23 $ million
Revenue	**141.3**	**46.0**	**193.2**	117.2
Operating expenses	**(144.3)**	**(36.4)**	**(152.9)**	(75.2)
Interest (expenses)/income	**(2.2)**	**(0.5)**	**1.1**	(1.8)
(Loss)/profit before tax	**(5.2)**	**9.1**	**41.4**	40.2
Income tax credit/(expense)	**1.1**	**(3.3)**	**(3.7)**	(17.3)
(Loss)/profit after tax	**(4.1)**	**5.8**	**37.7**	22.9
Total comprehensive income	**(4.1)**	**5.8**	**37.7**	22.9

* No comparative information for FCS and DAS as the joint ventures were acquired on 3 April 2023.

Summarised statement of financial position as follow:

	FCS*	DAS*	AISATS	
	31 Mar 2024 $ million	31 Mar 2024 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Current assets [(a)]	**39.2**	**26.1**	**88.3**	64.2
Non-current assets	**192.8**	**117.6**	**199.6**	70.8
	232.0	**143.7**	**287.9**	135.0
Current liabilities	**(35.2)**	**–**	**(38.3)**	(33.3)
Non-current liabilities	**(42.5)**	**(23.9)**	**(127.5)**	(17.3)
	(77.7)	**(23.9)**	**(165.8)**	(50.6)
Net assets	**154.3**	**119.8**	**122.1**	84.4
Proportion of the Group's ownership	**51.0%**	**60.0%**	**50.0%**	50.0%
Group's share of net assets	**78.7**	**71.9**	**61.1**	42.2
Carrying amount of the investment	**78.7**	**71.9**	**61.1**	42.2
Group's interest in net assets of investee at beginning of the year	**–**	**–**	**42.2**	35.1
Acquisition of subsidiary	**2.3**	**8.4**	**–**	–
Fair value uplift	**74.3**	**60.1**	**–**	–
Group's share of total comprehensive income	**2.1**	**3.4**	**18.9**	7.1
Carrying amount of interest in investee at end of the year	**78.7**	**71.9**	**61.1**	42.2

* No comparative information for FCS and DAS as the joint ventures were acquired on 3 April 2023.
(a) Includes cash and cash equivalents of $40.3 million (2023: $3.3 million).

23. DEFERRED TAXATION

	GROUP			
	Deferred tax (liabilities)/assets		Deferred tax expense/(credit)	
	31 Mar 2024 $ million	31 Mar 2023 $ million	2023-24 $ million	2022-23 $ million
Property, plant and equipment	**(64.5)**	(34.4)	**7.8**	(3.8)
Intangible assets	**(211.5)**	(29.2)	**(3.5)**	(4.1)
Accruals and provisions	**57.8**	5.7	**(4.4)**	0.9
Defined benefit plan	**(9.2)**	(1.5)	**(0.1)**	(0.2)
Unremitted foreign dividend and interest income	**(9.8)**	(6.5)	**3.4**	–
Allowance for impairments	**19.7**	5.1	**0.3**	(2.4)
Unutilised tax losses/capital allowances	**75.4**	44.9	**(9.8)**	(2.4)
Undistributed earnings of associates/ joint ventures	**(31.7)**	(16.1)	**15.6**	2.2
Right-of-use assets	**(335.4)**	(69.9)	**29.2**	(0.2)
Lease liabilities	**349.1**	71.9	**(40.8)**	(0.3)
Other temporary differences	**15.5**	(2.7)	**2.4**	(1.1)
	(144.6)	(32.7)	**0.1**	(11.4)
Presented in statement of financial position as follows:				
Deferred tax assets	**61.1**	55.6		
Deferred tax liabilities	**(205.7)**	(88.3)		
	(144.6)	(32.7)		

	COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million
Deferred tax liabilities		
Property, plant and equipment	**(18.0)**	(19.8)
Accruals	**1.8**	0.4
Unremitted foreign dividend and interest income	**(9.8)**	(6.5)
Others	**2.1**	–
	(23.9)	(25.9)

Unrecognised tax losses

As at 31 March 2024, the Group has tax losses of approximately $266.0 million (2023: $70.0 million) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

24. OTHER NON-CURRENT ASSETS

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Quoted equity investment	**–**	0.3	**–**	–
Unquoted equity investment	**0.6**	6.1	**–**	6.1
Loan, secured	**–**	7.8	**–**	–
Others	**49.0**	9.5	**–**	–
	49.6	23.7	**–**	6.1

As at 31 March 2023, the Group held an investment in secured loan of $7.8 million with interest rate of 6.5% per annum. The secured loan was reclassified as other current assets as at 31 March 2024.

Others relate mainly to long-term prepayments and lease deposits.

25. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Current				
Trade receivables	**721.9**	170.6	**9.2**	3.5
Staff loans	**0.1**	0.4	**0.1**	0.1
Sundry receivables	**172.7**	46.3	**3.2**	5.6
Government grant receivables	**14.0**	41.3	**0.2**	6.1
Amounts due from				
– Related parties – Trade	**222.8**	222.4	**8.0**	50.3
– Related companies – Non-trade	**–**	–	**348.4**	2,010.3
– Associates/joint ventures	**5.5**	2.0	**1.4**	0.8
Loan to associate	**1.4**	2.1	**1.4**	2.1
Loan to subsidiaries	**–**	–	**46.0**	77.1
	1,138.4	485.1	**417.9**	2,155.9
Non-current				
Loan to associate	**0.8**	–	**0.8**	–
Loan to joint venture	**0.5**	–	**–**	–
Loan to subsidiaries	**–**	–	**1,018.1**	350.0
	1.3	–	**1,018.9**	350.0

25. TRADE AND OTHER RECEIVABLES (cont'd)

- Trade receivables are generally on 30 – 90 day terms.
- Sundry receivables are unsecured, interest-free and repayable upon demand.
- The amounts due from related parties are trade-related, with a credit term of 45 days.
- The amounts due from related companies are unsecured, interest-free and are repayable upon demand.
- The amounts due from associates amounting to $1.6 million (2023: $1.1 million) are unsecured, trade-related and are repayable on demand.
- The amounts due from joint ventures amounting to $3.9 million (2023: $0.9 million) are unsecured, trade-related and are repayable on demand.

Current loan to subsidiaries

The loans of $46.0 million (2023: $77.1 million) are unsecured, with interests rates ranging from 3.9% to 5.1% (2023: 5.1% to 6.0%) per annum and are repayable within the next 12 months.

Current loan to associate

The loan of $1.4 million (2023: $2.1 million) is unsecured, bears interest at 6.4% (2023: 3.8%) and is repayable within the next 12 months.

Non-current loan to subsidiaries

- $596.8 million (2023: $77.1 million) of the loans are unsecured loans with interest rates ranging from 4.5% to 9.0% (2023: 5.0% to 5.1%) per annum and are repayable after one year.
- $50.1 million (2023: $11.9 million) of the loans are unsecured with interest rates ranging from 5.5% to 6.0% (2023: 4.5% to 5.5%) and is expected to be repaid within 2 to 5 years.
- $45.0 million of the loans are unsecured, bear interest at 5.2% and is not expected to be repaid in the next 12 months. As at 31 March 2023, the loan is reported under current loan.
- The remaining loans of $326.3 million (2023: $338.1 million) are unsecured, non-interest bearing, repayable on demand and not expected to be repaid in the next 12 months.

Non-current loan to associates

The loan of $0.75 million is unsecured, bears interest at 5.1% per annum and is repayable after one year.

Impairment for trade receivables

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

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

25. TRADE AND OTHER RECEIVABLES (cont'd)

Impairment for trade receivables (cont'd)

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

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Balance at 1 April	**10.0**	26.2	**0.1**	0.1
Write-off against provisions	**(1.0)**	(15.6)	**–**	–
(Write-back)/charge to income statement	**(3.3)**	0.2	**–**	–
Acquisition of subsidiary	**20.5**	–	**–**	–
Exchange differences	**0.9**	(0.8)	**–**	–
Balance at 31 March	**27.1**	10.0	**0.1**	0.1

26. INVENTORIES

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Food supplies	**59.7**	56.3	**–**	–
Technical spares	**12.7**	11.4	**–**	–
Other consumables	**0.6**	1.0	**0.5**	0.8
	73.0	68.7	**0.5**	0.8

27. CASH AND CASH EQUIVALENTS

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.00% to 12.0% (2023: 0.00% to 3.15%) per annum.

Fixed deposits are made for varying periods of between 3 days to 2 months depending on the expected cash requirements of the Group, and earn interest at the effective interest rate ranging from 2.85% to 5.10% (2023: 0.00% to 4.63%) per annum.

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

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Fixed deposits	**449.3**	72.0	**120.0**	–
Cash and bank balances	**209.7**	302.4	**56.5**	181.4
Cash and cash equivalents	**659.0**	374.4	**176.5**	181.4

27. CASH AND CASH EQUIVALENTS (cont'd)

(b) Analysis of capital expenditure cash flows:

	GROUP	
	2023-24 $ million	2022-23 $ million
Additions of property, plant and equipment (Note 16)	**190.3**	107.7
Additions of intangible assets (Note 19)	**9.7**	16.5
Accrual for purchases of property, plant and equipment (Note 28)	**(14.4)**	(4.8)
Cash invested in property, plant and equipment and intangible assets	**185.6**	119.4

28. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Current				
Trade payables	**832.0**	341.7	**26.3**	64.8
Tender deposits	**4.6**	4.6	**4.3**	3.5
Accrued expenses	**288.7**	43.8	**7.4**	3.6
Accrued payroll costs	**177.0**	98.4	**41.5**	20.1
Deferred income	**5.7**	7.0	**0.3**	0.2
Purchase of property, plant and equipment	**37.3**	22.9	**–**	–
Others	**13.2**	3.3	**–**	–
Amounts due to				
– Related companies – Trade	**1.0**	0.7	**–**	–
– Related companies – Non-trade	**–**	–	**23.3**	78.9
– Associate/joint ventures	**11.9**	11.6	**0.6**	–
Loan from joint ventures	**11.0**	–	**–**	–
Loan from subsidiaries	**–**	–	**174.9**	163.0
Trade and other payables	**1,382.4**	534.0	**278.6**	334.1
Non-current				
Deferred consideration	**17.6**	16.2	**–**	–
Deferred income	**9.4**	9.7	**1.1**	–
Long-term employee benefits	**38.4**	5.2	**–**	–
Long-term service concession	**35.2**	–	**–**	–
Others	**75.9**	8.8	**17.4**	4.6
Other payables	**176.5**	39.9	**18.5**	4.6

28. TRADE AND OTHER PAYABLES (cont'd)

Trade and other payables to external and related companies are non-interest bearing. Trade payables are normally settled on 60-day terms while other current payables have an average term of three to six months. These amounts are unsecured, non-interest bearing and repayable on demand. Purchases from related companies are made at agreed terms.

The amount due to associates amounting to $0.6 million (2023: Nil) are unsecured, trade-related and are repayable on demand.

The amount due to joint ventures amounting to $11.3 million (2023: $11.6 million) are unsecured, trade-related and are repayable on demand.

Current loan from joint venture of $11.0 million (2023: Nil) is unsecured, bears interest at Euribor less 3.5% per annum is repayable on demand.

Loan from subsidiaries of $174.9 million (2023: $163.0 million) is unsecured, bears interest at 1-Month Compounded SORA less 0.3% (2023: SIBOR less 0.3%) per annum and repayable on demand.

29. NOTES AND BORROWINGS

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Current				
Unsecured notes payable	**200.0**	–	**200.0**	–
Unsecured term loans	**882.0**	0.3	**29.1**	–
Secured term loans	**18.2**	12.7	**–**	–
	1,100.2	13.0	**229.1**	–
Non-current				
Unsecured notes payable	**771.9**	300.0	**100.0**	300.0
Unsecured term loans	**835.8**	833.5	**797.5**	801.3
Secured term loans	**4.3**	–	**–**	–
	1,612.0	1,133.5	**897.5**	1,101.3
Total notes and borrowings	**2,712.2**	1,146.5	**1,126.6**	1,101.3

As at 31 March 2024, there were twenty-two (2023: nine) unsecured term loans held by the Group and three (2023: two) unsecured term loans held by the Company.

There were eleven (2023: eleven) secured term loans held by the Group as at 31 March 2024. These term loans as at 31 March 2024 were secured on the property, plant and equipment and other assets of the subsidiaries.

29. NOTES AND BORROWINGS (cont'd)

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

Interest Rates

	GROUP		COMPANY	
	31 Mar 2024 %	31 Mar 2023 %	31 Mar 2024 %	31 Mar 2023 %
Unsecured term loans:				
Fixed rate	**0.58% – 7.50%**	1.20% – 6.00%	**0.64% – 4.16%**	0.64%
Floating rate	**3.70% – 10.0%**	3.88%	**5.25%**	3.88%
Secured term loans:				
Fixed rate	**3.40% – 4.90%**	3.65% – 5.45%	**–**	–

Unsecured multicurrency medium term notes issued

				GROUP		COMPANY	
Series	Year of issuance	Fixed interest rate (%)	Date payable	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
001	2020	2.88	Mar 2025	**200.0**	200.0	**200.0**	200.0
002	2021	2.60	Apr 2025	**100.0**	100.0	**100.0**	100.0
USD	2024	4.83	Jan 2029	**671.9**	–	**–**	–

Hedge of net investments in foreign operations

Included in term loans as at 31 March 2024 was the term loan of JPY 7.8 billion (2023: JPY 7.8 billion), approximately $69.5 million (2023: $77.8 million) and EUR 500 million approximately $727.9 million, which have been designated as hedge of the net investment in subsidiaries, TFK Corporation in Japan and WFS in Europe respectively. This is being used to hedge the Group's exposure to foreign exchange risk on these investments.

Foreign exchange gains or losses on the translation of the term loans are transferred to equity to offset any gains or losses on translation of the net investment in the subsidiaries. There is no ineffectiveness portion transferred to profit or loss in the year ended 31 March 2024 (2023: Nil).

Hedge of interest rate risk for floating rate term loan

As at 31 March 2024, the Group has an interest rate swap arrangement on the EUR 500 million term loan drawn on 28 March 2023, for which the associated floating rate term loan have the same critical terms and which have been assessed to be effective hedges. Under the interest rate swap, the Group agreed with the counter party to exchange, at specific interval mainly quarterly, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amount of EUR 500 million.

29. NOTES AND BORROWINGS (cont'd)

Hedge of foreign exchange risk in business combination

As at 31 March 2023, SATS placed a deposit of EUR 1.3 billion (SGD equivalent of $1.77 billion) with the notary for the purpose of acquiring Neptune Holdings 1 B.V. (formerly Promontoria Holding 243 B.V.) which owns WFS. The foreign exchange risk on the purchase consideration relating to the acquisition of Neptune Holdings 1 B.V. has been hedged. The hedge accounting was reversed upon completion of WFS acquisition on 3 April 2024.

Reconciliation of movements of liabilities to cash flows from financing activities

GROUP	Term Loans $ million	Notes Payable $ million	Leases $ million	Total $ million
At 1 April 2022	210.8	300.0	327.0	837.8
Changes from financing cash flows				
Proceeds from borrowings	752.9	–	–	752.9
Repayment of term loans	(106.4)	–	–	(106.4)
Repayment of leases and related charges	–	–	(60.1)	(60.1)
Effect of foreign exchange translation	(12.4)	–	(3.4)	(15.8)
Other changes				
Addition of lease liabilities	–	–	61.2	61.2
Interest expense/professional fees	1.6	–	7.2	8.8
At 31 March 2023 and 1 April 2023	846.5	300.0	331.9	1,478.4
Changes from financing cash flows				
Proceeds from borrowings and notes payable	1,661.3	671.9	–	2,333.2
Repayment of borrowings and notes payable	(879.3)	(1,357.8)	–	(2,237.1)
Repayment of leases and related charges	–	–	(374.7)	(374.7)
Effect of foreign exchange translation	1.0	–	3.4	4.4
Other changes				
Acquisition of subsidiaries	110.8	1,357.8	887.2	2,355.8
Addition of lease liabilities	–	–	427.4	427.4
Disposal	(0.4)	–	–	(0.4)
Interest expense/professional fees	0.4	–	104.7	105.1
At 31 March 2024	1,740.3	971.9	1,379.9	4,092.1

30. LEASES

Leases as lessee

The Group leases offices, warehouse and factory facilities. The leases typically run for a period of 11 months to 59 years, with an option to renew the lease after that date. Lease payments are renegotiated upon renewal to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

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

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

	GROUP	
	2023-24 $ million	**2022-23 $ million**
Amounts recognised in profit or loss		
Interest on lease liabilities	**104.7**	7.2
Expenses relating to short-term leases	**22.3**	11.5
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**4.7**	3.3
Amounts recognised in statement of cash flows		
Cash outflow for leases	**374.7**	60.1

Extension options

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

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial Risk Management

The Group operates in Singapore and multiple countries in Asia Pacific, Europe, the Middle East and Africa ("EMEA") and America. The Group's operations carry certain financial and commodity risks, including the effects of changes in foreign exchange rates and interest rates. The Group's overall risk management approach is to minimise the effects of such volatility on its financial performance. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments for specific exposures where appropriate and cost-efficient.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Financial risk management policies are periodically reviewed and approved by the Board of Directors.

Market Risk

The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

The Group has exposure to the following risks arising from the financial investments:

(a) **Foreign Currency Risk**

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

Exposure to currency risk

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

	31 Mar 2024		31 Mar 2023	
	USD $ million	EUR $ million	USD $ million	EUR $ million
GROUP				
Trade and other receivables	**91.3**	**113.1**	15.2	0.1
Cash and cash equivalents	**144.0**	**53.2**	15.8	2.4
Loan, secured	**7.7**	**–**	7.7	–
Deposit with notary	**–**	**–**	–	1,774.0*
Other non-current assets	**11.5**	**13.7**	–	–
Trade and other payables	**(1.5)**	**(2.1)**	(1.4)	(0.2)
Notes and borrowings	**(674.7)**	**(1,601.5)**	–	(723.5)*
	(421.7)	**(1,423.6)**	37.3	1,052.8
COMPANY				
Trade and other receivables	**1.4**	**620.7**	–	1,774.0
Cash and cash equivalents	**5.9**	**0.1**	13.0	2.3
Trade and other payables	**(0.4)**	**–**	(1.3)	–
Notes and borrowings	**–**	**(757.1)**	–	(723.5)
	6.9	**(136.3)**	11.7	1,052.8

* Refer to note 29 for details of hedge accounting.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Market Risk (cont'd)

(a) **Foreign Currency Risk** (cont'd)

Sensitivity analysis

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

	Effect on profit/(loss) before tax	
GROUP	2024 $ million	2023 $ million
5% strengthening of SGD against USD	**21.1**	(1.9)
5% strengthening of SGD against EUR	**71.2**	(0.1)
5% weakening of SGD against USD	**(21.1)**	1.9
5% weakening of SGD against EUR	**(71.2)**	0.1

(b) **Interest Rate Risk**

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

The Group's interest-bearing assets and interest-bearing liabilities are predominantly denominated in SGD, JPY, EUR and USD. Information relating to other interest-bearing assets and liabilities are disclosed in the cash and cash equivalents (Note 27) and notes and borrowings (Note 29).

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

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

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

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Market Risk (cont'd)

(b) Interest Rate Risk (cont'd)

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

	GROUP 31 Mar		COMPANY 31 Mar	
	2024 $ million	2023 $ million	2024 $ million	2023 $ million
Effect of an increase in 50 basis points in market interest rates				
Profit/(loss) before tax	**(5.0)**	1.0	**(4.1)**	(4.6)
Effect of a decrease in 50 basis points in market interest rates				
Profit/(loss) before tax	**5.0**	(1.0)	**4.1**	4.6

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORS") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Group had exposures to SIBOR and SOR on its financial instruments that have been replaced as part of these market-wide initiatives. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA together with the Association of Banks in Singapore and Singapore Foreign Exchange Market Committee, has identified the Singapore Overnight Rate Average ("SORA") as the alternative interest rate benchmark to replace SIBOR and SOR in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively. In FY2023, the Group amended its financial instruments indexed to SOR. The Group is in the process of amending its financial instruments with contractual terms indexed to SIBOR in FY2024. The amendments to SOR and SIBOR financial instruments incorporated the new benchmark rate (i.e. SORA).

Credit Risk

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

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 March 2024 in relation to each class of recognised financial assets was the carrying amount of those assets as indicated in the statement of financial position.

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

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Credit Risk (cont'd)

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

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

Credit profiles

	Outstanding balance		Percentage of total financial assets	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 %	31 Mar 2023 %
GROUP				
By industry				
Airlines	**666.4**	303.9	**37.0**	35.4
Financial institutions	**487.2**	365.9	**27.3**	42.6
Others	**643.8**	189.8	**35.7**	22.0
	1,797.4	859.6	**100.0**	100.0
By region				
Singapore	**756.4**	671.2	**42.2**	78.1
Asia Pacific	**388.5**	22.9	**21.6**	2.7
EMEA	**277.5**	–	**15.4**	–
Americas	**265.4**	–	**14.7**	–
Others	**109.6**	165.5	**6.1**	19.2
	1,797.4	859.6	**100.0**	100.0
COMPANY				
By industry				
Airlines	**6.5**	3.5	**0.4**	0.1
Financial institutions	**176.5**	181.4	**10.9**	6.7
Related parties	**1,423.9**	2,494.5	**88.3**	92.8
Others	**6.4**	11.8	**0.4**	0.4
	1,613.3	2,691.2	**100.0**	100.0
By region				
Singapore	**891.3**	2,583.6	**55.2**	96.0
Others	**722.0**	107.6	**44.8**	4.0
	1,613.3	2,691.2	**100.0**	100.0

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Credit Risk (cont'd)

Trade receivables

At the end of the reporting period, approximately:

– 22% (2023: 56%) of the Group's trade receivables were due from a major customer located in Singapore.

– 24% (2023: 57%) of the Group's trade receivables were due from related parties.

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

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

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

	Weighted average loss rate		Gross carrying value		Impairment loss allowance	
	31 Mar 2024 %	31 Mar 2023 %	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
GROUP						
Not past due	**–**	–	**721.7**	319.7	**–**	–
Past due 1 to 30 days	**–**	–	**135.1**	35.4	**–**	–
Past due 31 to 90 days	**–**	0.1	**36.9**	19.1	**–**	–
More than 90 days	**31.3**	34.6	**86.6**	28.9	**27.1**	10.0
			980.3	403.1	**27.1**	10.0

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

No aging analysis of other receivables are presented as the majorities of outstanding balances as at 31 March 2024 are current. The Group assesses that no allowance for impairment loss on other receivables is required.

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

The Company held non-trade receivables due from its related companies of $348.4 million (2023: $2,010.3 million) and loan to subsidiaries of $1,064.1 million (2023: $427.1 million). These balances are amounts for working capital requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Credit Risk (cont'd)

Financial guarantees

The Group has issued financial guarantees to financial institution for granting of credit and banking facilities to its associate (see Note 21). These guarantees are subject to the impairment requirements of SFRS(I) 9. The Group has assessed that its associate has adequate financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect credit losses arising from these guarantees.

Cash and cash equivalents

The Group held cash and cash equivalents of $659.0 million as at 31 March 2024 (2023: $374.4 million). The cash and cash equivalents are held with bank and financial institution counterparties.

	GROUP			
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 %	31 Mar 2023 %
Investment grade (A to Aaa)	**656.7**	340.0	**99.6**	90.8
Others	**2.3**	34.4	**0.4**	9.2
	659.0	374.4	**100.0**	100.0

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

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

The derivatives are entered into with financial institution counterparties, which are rated Aa1, based on rating agency Moody's ratings.

Loan, secured

The Group held a secured loan which has been fully collaterised with quoted equity shares. The carrying amount of the loan is $11.2 million (2023: $11.1 million). The estimated fair value of the quoted shares is higher than the carrying value of the secured loan.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As at 31 March 2024, the Group had at its disposal, cash and cash equivalents amounting to $659.0 million (2023: $374.4 million). In addition, the Group has available short-term credit facilities of approximately $589.0 million (2023: $476.5 million) from revolving credit facilities granted by commercial banks.

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

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Liquidity Risk (cont'd)

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

GROUP	Within 1 year $ million	1–2 years $ million	2–5 years $ million	More than 5 years $ million	Total $ million
31 March 2024					
Financial assets:					
Trade and other receivables	**1,138.4**	**–**	**–**	**–**	**1,138.4**
Cash and cash equivalents	**659.0**	**–**	**–**	**–**	**659.0**
Total undiscounted financial assets	**1,797.4**	**–**	**–**	**–**	**1,797.4**
Financial liabilities:					
Trade and other payables	**1,382.4**	**–**	**–**	**–**	**1,382.4**
Notes and borrowings	**1,346.2**	**913.2**	**883.8**	**5.4**	**3,148.6**
Lease liabilities	**378.7**	**323.1**	**621.4**	**236.4**	**1,559.6**
Other long-term liability	**–**	**146.3**	**3.3**	**37.2**	**186.8**
Total undiscounted financial liabilities	**3,107.3**	**1,382.6**	**1,508.5**	**279.0**	**6,277.4**
Derivatives financial instruments					
Interest rate swaps	**–**	**2.3**	**–**	**–**	**2.3**
Cross currency swap					
– Outflow	**–**	**–**	**(674.7)**	**–**	**(674.7)**
– Inflow	**–**	**–**	**669.7**	**–**	**669.7**
Forward exchange contract					
– Outflow	**(568.5)**	**–**	**–**	**–**	**(568.5)**
– Inflow	**573.0**	**–**	**–**	**–**	**573.0**
	4.5	**2.3**	**(5.0)**	**–**	**1.8**
Undiscounted financial liabilities, net	**(1,305.4)**	**(1,380.3)**	**(1,513.5)**	**(279.0)**	**(4,478.2)**
31 March 2023					
Financial assets:					
Trade and other receivables	485.2	–	–	–	485.2
Cash and cash equivalents	374.5	–	–	–	374.5
Total undiscounted financial assets	859.7	–	–	–	859.7
Financial liabilities:					
Trade and other payables	528.0	30.6	7.5	1.8	567.9
Notes and borrowings	74.4	243.5	934.0	9.1	1,261.0
Lease liabilities	50.2	49.9	123.2	158.2	381.5
Total undiscounted financial liabilities	652.6	324.0	1,064.7	169.1	2,210.4
Undiscounted financial assets/(liabilities), net	207.1	(324.0)	(1,064.7)	(169.1)	(1,350.7)

COMPANY	Within 1 year $ million	1–2 years $ million	2–5 years $ million	More than 5 years $ million	Total $ million
31 March 2024					
Financial assets:					
Trade and other receivables	**457.1**	**634.8**	**63.4**	**373.7**	**1,529.0**
Cash and cash equivalents	**176.5**	**–**	**–**	**–**	**176.5**
Total undiscounted financial assets	**633.6**	**634.8**	**63.4**	**373.7**	**1,705.5**
Financial liabilities:					
Notes and borrowings	**276.3**	**866.8**	**69.6**	**–**	**1,212.7**
Trade and other payables	**284.9**	**8.5**	**–**	**14.5**	**307.9**
Lease liability	**7.0**	**7.0**	**20.8**	**81.7**	**116.5**
Total undiscounted financial liabilities	**568.2**	**882.3**	**90.4**	**96.2**	**1,637.1**
Derivatives financial instrument					
Interest rate swaps	**–**	**2.3**	**–**	**–**	**2.3**
Undiscounted financial assets/(liabilities), net	**65.4**	**(245.2)**	**(27.0)**	**277.5**	**70.7**
31 March 2023					
Financial assets:					
Trade and other receivables	2,159.1	3.5	9.1	338.1	2,509.8
Cash and cash equivalents	181.4	–	–	–	181.4
Total undiscounted financial assets	2,340.5	3.5	9.1	338.1	2,691.2
Financial liabilities:					
Notes and borrowings	36.9	236.9	958.7	–	1,232.5
Trade and other payables	340.6	3.4	–	–	344.0
Lease liability	6.6	6.2	6.2	97.7	116.7
Total undiscounted financial liabilities	384.1	246.5	964.9	97.7	1,693.2
Undiscounted financial assets/(liabilities), net	1,956.4	(243.0)	(955.8)	240.4	998.0

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Classification of Financial Instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

	Carrying value						Fair value			
GROUP	Amortised costs $ million	FVOCI $ million	FVTPL $ million	Fair value – hedging instruments $ million	Other financial liabilities $ million	Total $ million	Level 1 $ million	Level 2 $ million	Level 3 $ million	Total $ million
31 March 2024										
Assets										
Trade and other receivables	**1,138.4**	**–**	**–**	**–**	**–**	**1,138.4**	**N/A**	**N/A**	**N/A**	**N/A**
Cash and cash equivalents	**659.0**	**–**	**–**	**–**	**–**	**659.0**	**N/A**	**N/A**	**N/A**	**N/A**
Derivative assets	**–**	**–**	**5.8**	**–**	**–**	**5.8**	**–**	**5.8**	**–**	**5.8**
	1,797.4	**–**	**5.8**	**–**	**–**	**1,803.2**				
Liabilities										
Notes and borrowings	**–**	**–**	**–**	**–**	**2,712.2**	**2,712.2**	**–**	**2,717.2**	**–**	**2,717.2**
Trade and other payables	**–**	**–**	**–**	**–**	**1,508.6**	**1,508.6**	**N/A**	**N/A**	**N/A**	**N/A**
Derivative liabilities	**–**	**–**	**5.3**	**5.1**	**–**	**10.4**	**–**	**10.4**	**–**	**10.4**
	–	**–**	**5.3**	**5.1**	**4,220.8**	**4,231.2**				
31 MARCH 2023										
Assets										
Long-term investments	7.9	0.3	6.1	–	–	14.3	–	–	20.0	20.0
Trade and other receivables	483.0	–	–	–	–	483.0	N/A	N/A	N/A	N/A
Cash and cash equivalents	374.4	–	–	–	–	374.4	N/A	N/A	N/A	N/A
	865.3	0.3	6.1	–	–	871.7				
Liabilities										
Notes and borrowings	–	–	–	–	1,146.5	1,146.5	–	1,146.5	–	1,146.5
Trade and other payables	–	–	–	–	566.2	566.2	N/A	N/A	N/A	N/A
	–	–	–	–	1,712.7	1,712.7				

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Classification of Financial Instruments (cont'd)

	Carrying value						Fair value			
COMPANY	Amortised costs $ million	FVOCI $ million	FVTPL $ million	Fair value – hedging instruments $ million	Other financial liabilities $ million	Total $ million	Level 1 $ million	Level 2 $ million	Level 3 $ million	Total $ million
31 March 2024										
Assets										
Trade and other receivables	**1,436.8**	**–**	**–**	**–**	**–**	**1,436.8**	**N/A**	**N/A**	**N/A**	**N/A**
Cash and cash equivalents	**176.5**	**–**	**–**	**–**	**–**	**176.5**	**N/A**	**N/A**	**N/A**	**N/A**
	1,613.3	**–**	**–**	**–**	**–**	**1,613.3**				
Liabilities										
Notes and borrowings	**–**	**–**	**–**	**–**	**1,126.6**	**1,126.6**	**N/A**	**1,126.6**	**N/A**	**1,126.6**
Trade and other payables	**–**	**–**	**–**	**–**	**296.8**	**296.8**	**N/A**	**N/A**	**N/A**	**N/A**
Derivative liabilities	**–**	**–**	**–**	**5.1**	**–**	**5.1**	**–**	**5.1**	**–**	**5.1**
	–	**–**	**–**	**5.1**	**1,423.4**	**1,482.5**				
31 March 2023										
Assets										
Long-term investment	–	–	6.1	–	–	6.1	–	6.1	–	6.1
Trade and other receivables	2,505.9	–	–	–	–	2,505.9	N/A	N/A	N/A	N/A
Cash and cash equivalents	181.4	–	–	–	–	181.4	N/A	N/A	N/A	N/A
	2,687.3	–	6.1	–	–	2,693.4				
Liabilities										
Notes and borrowings	–	–	–	–	1,101.3	1,101.3	–	1,101.3	–	1,101.3
Trade and other payables	–	–	–	–	338.5	338.5	N/A	N/A	N/A	N/A
	–	–	–	–	1,439.8	1,439.8				

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Fair Values

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

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

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

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

The fair value of forward foreign exchange contracts is determined using forward exchange market rates for contracts with similar maturity profiles at the end of the reporting period.

The fair value of cross currency or interest rate swap is the estimated amount that the swap contract can be exchanged for or settled with under normal market conditions. This fair value can be estimated using the discounted cash flow method where the future cash flows of the swap contract are discounted at the prevailing market foreign exchange rates and interest rates. Market interest rates are actively quoted interest rates or interest rates computed by applying techniques to these actively quoted interest rates.

32. RELATED PARTY TRANSACTIONS

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

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

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

Sale and purchase of goods and services

	GROUP	
	2023-24 $ million	**2022-23 $ million**
Services rendered by:		
Related parties	**49.4**	40.4
Sales to:		
Related parties	**890.6**	707.6

Remuneration of key management personnel

	GROUP	
	2023-24 $ million	**2022-23 $ million**
Directors		
Directors' fees – paid by the Company	**1.2**	1.3
Key executives		
Salary, bonuses and other costs	**8.5**	5.1
CPF and other defined contributions plans	**0.3**	0.1
Share-based compensation expense	**1.7**	1.7
	10.5	6.9

33. CAPITAL AND OTHER COMMITMENTS

The Group and the Company have commitments for capital expenditure. Such commitments aggregated to $79.2 million (2023: $44.5 million) for the Group and $2.2 million (2023: $2.1 million) for the Company. In aggregate, these commitments are not at prices in excess of current market prices.

34. CAPITAL MANAGEMENT

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

The Directors have reviewed the Group's capital structure and will continue to regularly review the Group's capital structure in line with this objective. For the financial years ended 31 March 2024 and 31 March 2023, no changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

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

	GROUP		COMPANY	
	31 Mar 2024 $ million	31 Mar 2023 $ million	31 Mar 2024 $ million	31 Mar 2023 $ million
Notes and borrowings	**2,712.2**	1,146.5	**1,126.6**	1,101.3
Lease liabilities	**1,379.9**	331.9	**81.1**	82.2
Total debt	**4,092.1**	1,478.4	**1,207.7**	1,183.5
Total equity	**2,559.5**	2,514.8	**2,786.6**	2,555.7
Total debt-equity ratio	**1.6**	0.59	**0.44**	0.46

35. SEGMENT REPORTING

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

1. The Food Solutions segment provides mainly inflight and institutional catering, food processing, distribution services and airline laundry services.
2. The Gateway Services segment provides both airport, cruise terminal services and trucking services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers. On the provision of cruise terminal services, the segment manages and operates Marina Bay Cruise Centre in Singapore and Kai Tak Cruise Terminal in Hong Kong. Trucking services are provided in Europe and North America region.
3. The Others segment provides rental of premises and other services.

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

Segment assets comprise primarily of inventories, receivables, prepayments, amount due from associates/joint ventures, cash and cash equivalents and deposit with notary, other non-current assets and other long-term investments.

35. SEGMENT REPORTING (cont'd)

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

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

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

BY BUSINESS

	Food Solutions $ million	Gateway Services $ million	Others $ million	Total $ million
Financial year ended 31 March 2024				
Revenue	1,107.9	4,041.2	0.5	5,149.6
Operating profit/(loss)	27.5	249.0	(32.3)	244.2
Net finance (expenses)/income	(2.3)	(235.2)	0.8	(236.7)
Share of results of associates/joint ventures, net of tax	30.1	79.9	–	110.0
Other non-operating (expenses)/income	(9.8)	5.6	3.0	(1.2)
Profit/(loss) before tax	45.5	99.3	(28.5)	116.3
Income tax (expense)/credit	(18.8)	(41.0)	4.0	(55.8)
Profit/(loss) from continuing operations	26.7	58.3	(24.5)	60.5
Profit from discontinued operation	–	3.2	–	3.2
Operating profit/(loss)	26.7	61.5	(24.5)	63.7
As at 31 March 2024				
Segment assets	525.0	1,150.8	324.8	2,000.6
Property, plant and equipment, right-of-use assets	358.4	1,640.0	124.6	2,123.0
Associates/joint ventures	179.5	604.6	–	784.1
Deferred tax assets	32.4	28.7	–	61.1
Intangible assets	189.3	3,310.3	11.6	3,511.2
Total assets	1,284.6	6,734.4	461.0	8,480.0
Current liabilities	310.6	2,192.4	234.6	2,737.6
Non-current liabilities	135.6	1,786.4	1,001.8	2,923.8
Tax liabilities	27.6	201.1	30.4	259.1
Total liabilities	473.8	4,179.9	1,266.8	5,920.5
Capital expenditure	53.2	124.0	22.8	200.0
Depreciation and amortisation charges	54.0	475.9	6.5	536.4

35. SEGMENT REPORTING (cont'd)

BY BUSINESS (cont'd)

	Food Solutions $ million	Gateway Services $ million	Others $ million	Total $ million
Financial year ended 31 March 2023				
Revenue	869.3	888.5	0.5	1,758.3
Operating loss	(33.8)	(2.0)	(12.2)	(48.0)
Net finance expense	(1.0)	(5.5)	(2.2)	(8.7)
Gain from disposal of property, plant and equipment	13.0	*	*	13.0
Gain from disposal of an associate	1.9	*	–	1.9
Share of results of associates/joint ventures, net of tax	6.6	38.8	–	45.4
Impairment loss for an associate	–	(0.2)	(1.5)	(1.7)
Other non-operating income/(expenses)	0.3	(1.7)	(44.3)	(45.7)
(Loss)/profit before tax	(13.0)	29.4	(60.2)	(43.8)
Income tax credit	1.1	1.7	2.4	5.2
(Loss)/profit for the year	(11.9)	31.1	(57.8)	(38.6)
As at 31 March 2023				
Segment assets	429.2	339.3	1,978.0	2,746.5
Property, plant and equipment, right-of-use assets	337.9	431.2	131.1	900.2
Associates/joint ventures	152.4	291.9	–	444.3
Deferred tax assets	40.8	14.5	0.3	55.6
Intangible assets	199.0	299.9	28.2	527.1
Total assets	1,159.3	1,376.8	2,137.6	4,673.7
Current liabilities	264.4	260.6	63.1	588.1
Non-current liabilities	134.5	144.3	1,185.4	1,464.2
Tax liabilities	18.1	53.6	34.9	106.6
Total liabilities	417.0	458.5	1,283.4	2,158.9
Capital expenditure	67.4	45.9	10.9	124.2
Depreciation and amortisation charges	45.5	125.1	5.2	175.8

* Amount is less than $0.1 million.

35. SEGMENT REPORTING (cont'd)

BY GEOGRAPHICAL LOCATION

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

	Singapore $ million	Asia Pacific $ million	EMEA $ million	Americas $ million	Total $ million
Financial year ended 31 March 2024					
Revenue	**1,730.1**	**521.9**	**1,036.3**	**1,861.3**	**5,149.6**
As at 31 March 2024					
Segment assets	**960.2**	**243.4**	**367.1**	**429.9**	**2,000.6**
Property, plant and equipment, right-of-use assets	**391.3**	**522.1**	**651.0**	**558.6**	**2,123.0**
Associates/joint ventures	**18.2**	**572.7**	**177.7**	**15.5**	**784.1**
Deferred tax assets	**1.2**	**43.3**	**10.0**	**6.6**	**61.1**
Intangible assets	**161.8**	**404.8**	**1,303.2**	**1,641.4**	**3,511.2**
Total assets	**1,532.7**	**1,786.3**	**2,509.0**	**2,652.0**	**8,480.0**
Capital expenditure	**80.2**	**57.0**	**29.6**	**33.2**	**200.0**
Financial year ended 31 March 2023					
Revenue	1,408.7	321.5	28.1	–	1,758.3
As at 31 March 2023					
Segment assets	2,658.5	60.6	27.4	–	2,746.5
Property, plant and equipment, right-of-use assets	379.5	444.1	76.6	–	900.2
Associates/joint ventures	24.2	420.1	–	–	444.3
Deferred tax assets	9.3	44.9	1.4	–	55.6
Intangible assets	183.3	330.5	13.3	–	527.1
Total assets	3,254.8	1,300.2	118.7	–	4,673.7
Capital expenditure	42.0	58.3	23.9	–	124.2

Information about major customers

Revenue from a major customer amounted to $892.9 million (two major customers 2023: $836.4 million), arising from sales by all segments.

36. SUBSEQUENT EVENT

Disposal of 9.85% stake in PT Cardig Aero Services Tbk

On 16 April 2024, Cemerlang Pte Ltd ("Cemerlang"), a wholly-owned subsidiary of the Company sold 205,630,200 ordinary shares of PT Cardig Aero Services Tbk ("PT CAS"), representing 9.85% of the issued share capital of PT CAS to PT Roket Cipta Sentosa (the "Purchaser") for a consideration of IDR168.6 billion ($14.5 million).

Cemerlang and the Purchaser entered into a Put and Call Share Option Agreement at the same time, in which, Cemerlang grants to the Purchaser within the agreed option period an irrevocable and unconditional right to purchase 208,695,000 ordinary shares ("Option Shares") in the capital of PT CAS for IDR253.4 billion (approximately $21.8 million) and Cemerlang has the right to request the Purchaser to purchase the Option Shares for IDR171.1 billion ($14.7 million).

The purchaser had also procured the payment of $29.1 million to SATS Airport Services Pte Ltd, a wholly owned subsidiary of SATS, in connection with the settlement of outstanding secured loan due from DRS Capital Pte Ltd amounting to USD 15.0 million ($20.1 million), and loan restructuring fee of $9.0 million.

The transactions including the fair value of Option Shares resulted in a gain of $7.2 million.

Acquisition of Terminal & Transporttjänst i Sigtuna AB and APH Logistics AB

WFS Sweden AB, a wholly owned subsidiary of SATS Ltd completed the acquisition of the entire issued and paid-up share capital of Terminal & Transporttjänst i Sigtuna AB and APH Logistics AB on 31 May 2024 with the Group obtaining control over entities. The total purchase consideration for the acquisition was SEK 94.0 million (approximately $12.1 million).

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

1. INTERESTED PERSON TRANSACTIONS

The interested person transactions entered into during the financial year ended 31 March 2024 are as follows:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) $'000	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000) $'000
Transactions for the Sale of Goods and Services			
Ascott International Management Pte Ltd	An associate of the Company's Controlling Shareholder	–	1,440
Gategroup Trading Hong Kong Ltd	An associate of the Company's Controlling Shareholder	–	978
Scoot Pte Ltd	An associate of the Company's Controlling Shareholder	–	979
Singapore Airlines Limited	An associate of the Company's Controlling Shareholder	–	41,402
SIA Engineering Company	An associate of the Company's Controlling Shareholder	–	8,340
ST Engineering Synthesis Pte Ltd	An associate of the Company's Controlling Shareholder	–	2,000
		–	55,139
Transactions for the Purchase of Goods and Services			
Certis CISCO Secure Logistics Pte Ltd	An associate of the Company's Controlling Shareholder	–	156
Certis Centurion Facility Company Limited	An associate of the Company's Controlling Shareholder	–	2,587
Certis CISCO Consulting Services Pte Ltd	An associate of the Company's Controlling Shareholder	–	305
NCS Communications Engineering Pte Ltd	An associate of the Company's Controlling Shareholder	–	227
NXGEN COMMUNICATIONS PTE LTD	An associate of the Company's Controlling Shareholder	–	168
Gategroup Trading Hong Kong Ltd	An associate of the Company's Controlling Shareholder	–	1,650
Sembcorp Solar Singapore Pte Ltd	An associate of the Company's Controlling Shareholder	–	150

Additional Information

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

1. INTERESTED PERSON TRANSACTIONS (cont'd)

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual) $'000	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000) $'000
Singapore Telecommunications Ltd.	An associate of the Company's Controlling Shareholder	–	29,303
ST Engineering Mission Software & Services Pte. Ltd	An associate of the Company's Controlling Shareholder	–	1,204
ST Engineering Land MRO and Services Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	1,357
ST Engineering Synthesis Pte. Ltd..	An associate of the Company's Controlling Shareholder	–	24,000
ST Engineering (Training & Simulation Systems) Pte Ltd	An associate of the Company's Controlling Shareholder	–	433
Sygnia Pte Ltd	An associate of the Company's Controlling Shareholder	–	312
Vista Real Estate Investments Pte Ltd	An associate of the Company's Controlling Shareholder	–	1,653
		–	63,505
Joint Venture			
Stellar Experience Pte. Ltd.	An associate of the Company's Controlling Shareholder	6,696	–
		6,696	–

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 or which commenced before 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

There were no material contracts entered into by the Company or its subsidiaries involving the interests of its President and Chief Executive Officer, Directors or controlling shareholders, 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 21 May 2024

Number of Issued Shares	:	1,490,731,171
Number of Issued Shares (excluding Treasury Shares)	:	1,490,631,266
Class of Shares	:	Ordinary shares
Number / Percentage of Treasury Shares	:	99,905 / 0.01%
Number of Shares / Percentage held by Subsidiary Holdings	:	Nil
Voting Rights	:	1 vote per share

ANALYSIS OF SHAREHOLDINGS

Range of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares)	%*
1 – 99	1,036	2.01	46,077	0.00
100 – 1,000	16,131	31.26	9,971,148	0.67
1,001 – 10,000	27,300	52.91	107,457,479	7.21
10,001 – 1,000,000	7,102	13.77	224,617,335	15.07
1,000,001 and above	28	0.05	1,148,539,227	77.05
Total	**51,597**	**100.00**	**1,490,631,266**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares held	%*
1	VENEZIO INVESTMENTS PTE. LTD.	590,220,938	39.60
2	CITIBANK NOMINEES SINGAPORE PTE LTD	156,049,136	10.47
3	RAFFLES NOMINEES (PTE.) LIMITED	101,215,719	6.79
4	DBS NOMINEES (PRIVATE) LIMITED	75,528,500	5.07
5	HSBC (SINGAPORE) NOMINEES PTE LTD	66,311,128	4.45
6	DBSN SERVICES PTE. LTD.	39,033,186	2.62
7	PHILLIP SECURITIES PTE LTD	20,198,179	1.36
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	17,243,723	1.16
9	BPSS NOMINEES SINGAPORE (PTE.) LTD.	15,254,131	1.02
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	10,504,158	0.70
11	IFAST FINANCIAL PTE. LTD.	6,297,706	0.42
12	OCBC SECURITIES PRIVATE LIMITED	5,475,097	0.37
13	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	5,396,379	0.36
14	UOB KAY HIAN PRIVATE LIMITED	4,447,228	0.30
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	3,885,890	0.26
16	MAYBANK SECURITIES PTE. LTD.	3,885,684	0.26
17	DB NOMINEES (SINGAPORE) PTE LTD	3,555,671	0.24
18	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	3,436,247	0.23
19	HUNGATE ALEXANDER CHARLES	3,324,144	0.22
20	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	2,494,082	0.17
		1,133,756,926	**76.07**

* The shareholding percentage has been calculated based on the number of issued ordinary shares of the Company as at 21 May 2024, excluding any ordinary shares held in treasury and subsidiary holdings as at that date.

Information on Shareholdings

as at 21 May 2024

SUBSTANTIAL SHAREHOLDERS

As at 21 May 2024, 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[1] of total shareholding)	No. of shares in which the substantial shareholder has a deemed interest (representing percentage[1] of total shareholding)	Total no. of shares in which the substantial shareholder is interested (representing percentage[1] of total shareholding)
Temasek Holdings (Private) Limited	–	596,357,809[2] (approximately 40.01%)	596,357,809 (approximately 40.01%)
Tembusu Capital Pte. Ltd.	–	597,290,703[2] (approximately 40.07%)	597,290,703 (approximately 40.07%)
Napier Investments Pte. Ltd.	–	446,123,158[2] (approximately 29.93%)	446,123,158 (approximately 29.93%)
Venezio Investments Pte. Ltd.	446,123,158 (approximately 29.93%)	–	446,123,158 (approximately 29.93%)

Notes:

1 The shareholding percentage has been calculated based on the number of issued ordinary shares of the Company as at 21 May 2024, excluding any ordinary shares held in treasury and subsidiary holdings as at that date.

2 Tembusu Capital Pte. Ltd. ("**Tembusu**") is the holding company of Napier Investments Pte. Ltd. ("**Napier**"), which is in turn the holding company of Venezio Investments Pte. Ltd. ("**Venezio**"). Tembusu and Napier are deemed to be interested in the shares held by Venezio by virtue of section 4 of the Securities and Futures Act 2001 ("**SFA**"). Temasek Holdings (Private) Limited ("**Temasek**") is the holding company of Tembusu and the ultimate holding company of Venezio. Accordingly, Temasek has a deemed interest in all the shares held by Venezio. In addition, Temasek is deemed to be interested in further shares in which its other subsidiaries and associated companies have or are deemed to have an interest pursuant to section 4 of the SFA.

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 21 May 2024, approximately 59.03% of the issued ordinary shares of the Company are held by the public (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**")). The Company hence confirms that Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Notice of Annual General Meeting

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

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting of SATS Ltd. (the "**Company**") will be held at the Grand Ballroom, Level 4, Grand Copthorne Waterfront Hotel Singapore, 392 Havelock Road, Singapore 169663, on Friday, 19 July 2024 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2024 and the Auditors' Report thereon.

2. To declare a final ordinary tax-exempt (one-tier) dividend of 1.5 cents per share for the financial year ended 31 March 2024.

3. To re-elect Mr Kerry Mok Tee Heong, who will retire by rotation in accordance with Article 90 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director of the Company.

4. To re-elect Mr Achal Agarwal, who will retire by rotation in accordance with Article 90 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director of the Company.

5. To re-elect Ms Vinita Bali, who will retire by rotation in accordance with Article 90 of the Constitution of the Company and who, being eligible, offers herself for re-election as a Director of the Company.

6. To re-elect Mr Pier Luigi Sigismondi, who will retire in accordance with Article 96 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director of the Company.

7. To re-elect Mr Mak Swee Wah, who will retire in accordance with Article 96 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director of the Company.

8. To re-elect Ms Chan Lai Fung, who will retire in accordance with Article 96 of the Constitution of the Company and who, being eligible, offers herself for re-election as a Director of the Company.

9. To re-elect Mr Irving Tan Tiang Yew, who will retire in accordance with Article 96 of the Constitution of the Company and who, being eligible, offers himself for re-election as a Director of the Company.

10. To approve payment of Directors' fees of up to S$1,700,000 for the financial year ending 31 March 2025 (2024: up to S$1,500,000).

11. To re-appoint Messrs KPMG LLP as Auditors of the Company to hold office until the next Annual General Meeting and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

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

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

    (a) (i) issue shares 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,

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

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 and subsidiary holdings) (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 and subsidiary holdings) (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 and subsidiary holdings) 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 were issued and are outstanding or subsisting at the time this Resolution is passed; and

(bb) any subsequent bonus issue, consolidation or subdivision of Shares,

and, in sub-paragraph (i) above and this sub-paragraph (ii), "**subsidiary holdings**" has the meaning given to it in the Listing Manual of the SGX-ST;

(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 Constitution 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.

13. That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of the Singapore Exchange Securities Trading Limited, 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 Appendix 1 to the Letter to Shareholders dated 20 June 2024 (the "**Letter to Shareholders**") with any party who is of the class of interested persons described in Appendix 1 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 and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

14. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**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 Singapore Exchange Securities Trading Limited ("**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 treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); 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 during the relevant five-day period and 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

"**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/she may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

Notice of Annual General Meeting

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

15. That:

(a) (i) pursuant to Rule 14.1 of the Rules of the SATS Performance Share Plan (the "**SATS PSP**"), the extension of the duration of the SATS PSP for a period of 10 years from 19 July 2025 to 18 July 2035 (both dates inclusive) be and is hereby approved; and

(ii) pursuant to Rule 14.1 of the Rules of the SATS Restricted Share Plan (the "**SATS RSP**"), the extension of the duration of the SATS RSP for a period of 10 years from 19 July 2025 to 18 July 2035 (both dates inclusive) be and is hereby approved;

(b) (i) the Amended and Restated Rules of the SATS PSP set out in Appendix 2 to the Letter to Shareholders dated 20 June 2024 (the "**Letter to Shareholders**"), incorporating the alterations to the SATS PSP as described in the Letter to Shareholders, be and are hereby approved and adopted in substitution for, and to the exclusion of, the existing Rules of the SATS PSP; and

(ii) the Amended and Restated Rules of the SATS RSP set out in Appendix 3 to the Letter to Shareholders, incorporating the alterations to the SATS RSP as described in the Letter to Shareholders, be and are hereby approved and adopted in substitution for, and to the exclusion of, the existing Rules of the SATS RSP; and

(c) the Directors of the Company be and are hereby authorised to:

(i) grant awards in accordance with the provisions of the SATS PSP (as altered) and/or the SATS RSP (as altered); and

(ii) allot and issue from time to time such number of ordinary shares of the Company ("**Shares**") as may be required to be issued pursuant to the vesting of awards under the SATS PSP (as altered) and/or the SATS RSP (as altered),

provided that:

(1) the aggregate number of new Shares to be allotted and issued pursuant to the SATS PSP (as altered), the SATS RSP (as altered) and the SATS Employee Share Option Plan shall not exceed 15 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time; and

(2) the aggregate number of Shares under awards to be granted pursuant to the SATS PSP (as altered) and/or the SATS RSP (as altered) 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 and subsidiary holdings) from time to time,

and in this Resolution, "**subsidiary holdings**" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

Ian Chye
Company Secretary

Singapore, 20 June 2024

EXPLANATORY NOTES

1. (a) In relation to Ordinary Resolution No. 3, Mr Kerry Mok Tee Heong will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Mr Mok will, upon re-election, continue to serve as a member of the Executive Committee. Mr Mok is the President and Chief Executive Officer of the Company.

(b) In relation to Ordinary Resolution No. 4, Mr Achal Agarwal will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Mr Agarwal will, upon re-election, continue to serve as a member of the Executive Committee and a member of the Remuneration and Human Resource Committee. Mr Agarwal is considered an independent Director.

(c) In relation to Ordinary Resolution No. 5, Ms Vinita Bali will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Ms Bali will, upon re-election, continue to serve as a member of the Executive Committee and a member of the Audit Committee. Ms Bali is considered an independent Director.

(d) In relation to Ordinary Resolution No. 6, Mr Pier Luigi Sigismondi will be retiring from office at the Annual General Meeting pursuant to Article 96 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Mr Sigismondi will, upon re-election, continue to serve as a member of the Safety, Sustainability and Risk Committee. Mr Sigismondi is considered an independent Director.

(e) In relation to Ordinary Resolution No. 7, Mr Mak Swee Wah will be retiring from office at the Annual General Meeting pursuant to Article 96 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Mr Mak will, upon re-election, continue to serve as a member of the Audit Committee. Mr Mak is considered an independent Director.

(f) In relation to Ordinary Resolution No. 8, Ms Chan Lai Fung will be retiring from office at the Annual General Meeting pursuant to Article 96 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. Ms Chan will, upon re-election, continue to serve as a member of the Safety, Sustainability and Risk Committee. Ms Chan is considered an independent Director.

(g) In relation to Ordinary Resolution No. 9, Mr Irving Tan Tiang Yew will be retiring from office at the Annual General Meeting pursuant to Article 96 of the Constitution of the Company, and will be standing for re-election at the Annual General Meeting. As announced by the Company on 16 May 2024, Mr Tan was appointed as Chairman-Designate as part of the Group's leadership renewal process and will, subject to his re-election, succeed Ms Euleen Goh Yiu Kiang as Chairman of the Board with effect from the conclusion of the Annual General Meeting. Mr Tan is considered an independent Director.

(h) As announced by the Company on 16 May 2024, Ms Euleen Goh Yiu Kiang will be retiring from office at the Annual General Meeting pursuant to Article 90 of the Constitution of the Company, and has notified the Company that she will not be seeking re-election as a Director of the Company at the Annual General Meeting. Her retirement from the Board will take effect from the conclusion of the Annual General Meeting. Ms Goh will, upon retirement, cease to be the Chairman of the Board, the Chairman of the Executive Committee, the Chairman of the Remuneration and Human Resource Committee and a member of the Nominating Committee. After she relinquishes her position, Ms Goh will be appointed as Advisor to the Chairman. The Company will announce Ms Goh's replacements on the Executive Committee, the Remuneration and Human Resource Committee and the Nominating Committee in due course.

(i) As announced by the Company on 11 June 2024, Ms Jenny Lee has notified the Company that she will be stepping down as a Director of the Company with effect from the conclusion of the Annual General Meeting.

(j) As announced by the Company on 11 June 2024, Dr Detlef Trefzger has notified the Company that he will be stepping down as a Director of the Company with effect from the conclusion of the Annual General Meeting. Dr Trefzger will thereupon cease to be the Chairman of the Safety, Sustainability and Risk Committee. The Company will announce Dr Trefzger's replacement on the Safety, Sustainability and Risk Committee in due course.

Detailed information on the Directors who are standing for re-election (including information as set out in Appendix 7.4.1 of the Listing Manual of the Singapore Exchange Securities Trading Limited) can be found in the section on "Additional information on Directors seeking re-election" in the SATS Annual Report for the financial year ended 31 March 2024 ("**FY2023-24**").

2. Ordinary Resolution No. 10 is to approve the payment of an aggregate sum of up to S$1,700,000 as Directors' fees for the non-executive Directors of the Company for the current financial year ending 31 March 2025 ("**FY2024-25**") (FY2023-24: up to S$1,500,000). The increase of S$200,000 in Directors' fees for FY2024-25, if approved, takes into account the revision in the scale of fees payable to the non-executive Directors with effect from FY2024-25 onwards. The revision is necessitated in view of the expansion of the Company's business globally following the acquisition of Worldwide Flight Services in April 2023 – an expanded Group with a global footprint has resulted in an increase in the time commitment, effort and work scope of each non-executive Director. There is also a need to continue attracting, retaining and motivating talent to join the Board of the Company which has been and is being constantly re-shaped to include non-executive Directors with international experience and a global set of networks. The scale of fees payable to the non-executive Directors has not been revised since the financial year ended 31 March 2019.

   The revised scale of fees can be found in the "Non-Executive Directors' Remuneration" section of the Corporate Governance Report in the SATS Annual Report for FY2023-24.

   The proposed fees for FY2024-25, if approved, will facilitate the payment of Directors' fees during or soon after the financial year in which such fees are incurred. The amount of Directors' fees has been computed on the basis of the anticipated number of Board and Board Committee meetings for FY2024-25, assuming attendance by all the Directors at such meetings, and also caters for additional fees (if any) which may be payable due to additional board representations on the Company's subsidiary(ies) and/or joint ventures, or to additional Board or Board Committee members being appointed in the course of FY2024-25. 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 next Annual General Meeting in the year 2025 (the "**2025 AGM**") before any such payments are made.

   If approved, each of the non-executive Directors (including the Chairman) will receive approximately 70 percent of his/her total Directors' fees for FY2024-25 in cash and approximately 30 percent in the form of ordinary shares of the Company ("**Shares**") (FY2023-24: 70 percent in cash and 30 percent in Shares).

   The Share component of the Directors' fees for FY2024-25 is intended to be paid out in the form of awards under the SATS Restricted Share Plan. The awards will consist of fully paid Shares with no performance conditions attached and no vesting periods imposed. However, each non-executive Director will be required to retain a base shareholding worth up to one year's retainer fee for as long as he/she is on the Board of the Company, and for a period of one year after stepping down as a Director, in order to better align the interests of non-executive Directors with the interests of shareholders. A non-executive Director who steps down before the payment of the Share component of his/her fees will receive all of his/her fees (calculated on a pro-rated basis, where applicable) in cash. Further details regarding the Directors' fees can be found under the heading "Non-Executive Directors Remuneration" in the Corporate Governance Report in the SATS Annual Report for FY2023-24.

   The cash component of the Directors' fees for FY2024-25 is intended to be paid half-yearly in arrears. The current intention is for the Share component of the Directors' fees for FY2024-25 to be paid after the 2025 AGM has been held. The actual number of Shares to be awarded will be determined by reference to the volume-weighted average price of a Share on the Singapore Exchange Securities Trading Limited over the 10 trading days after the 2025 AGM, rounded down to the nearest hundred Shares, and any residual balance will be settled in cash.

   The non-executive Directors will abstain from voting their holdings of Shares (if any), and will procure that their respective associates abstain from voting their respective holdings of Shares (if any), in respect of this Resolution.

3. Ordinary Resolution No. 12, if passed, will empower the 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 Resolution will not exceed 50 percent of the issued Shares (excluding treasury shares and subsidiary holdings) 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. 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 and subsidiary holdings) at the time this 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 were issued and are outstanding at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of Shares. As at 21 May 2024 (the "**Latest Practicable Date**"), the Company had 99,905 treasury shares and no subsidiary holdings.

4. Ordinary Resolution No. 13 is to renew the mandate to allow the Company, its subsidiaries and associated companies that are entities at risk (as the term is used in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited) or any of them, to enter into certain interested person transactions with the 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.

5. Ordinary Resolution No. 14 is to renew the mandate to allow the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution.

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

   Based on the existing issued Shares as at the Latest Practicable Date, the purchase by the Company of 2 percent of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of a maximum number of 29,812,625 Shares.

   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 29,812,625 Shares at the Maximum Price of S$2.71 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 29,812,625 Shares is approximately S$80,792,134.

   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 2024, based on certain assumptions, are set out in paragraph 3.7.4 of the Letter to Shareholders dated 20 June 2024 (the "**Letter to Shareholders**").

   Please refer to the Letter to Shareholders for more details.

6. Ordinary Resolution No. 15 is to:

   (a) approve the extension of, and alterations to, each of the SATS PSP and the SATS RSP, which are due to expire on 18 July 2025. The rationale for the proposed extension of the SATS PSP and the SATS RSP as well as a summary of the principal proposed alterations to the SATS PSP and the SATS RSP are set out in paragraphs 4.2 and 4.4 of the Letter to Shareholders, respectively; and

   (b) empower the Directors to grant awards and to allot and issue Shares pursuant to the SATS PSP (as altered) and/or the SATS RSP (as altered), provided that:

      (i) the aggregate number of new Shares which may be allotted and issued under the SATS PSP (as altered), the SATS RSP (as altered) and the SATS Employee Share Option Plan is limited to 15 percent of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time; and

      (ii) the aggregate number of Shares under awards which may be granted pursuant to the SATS PSP (as altered) and/or the SATS RSP (as altered) 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 and subsidiary holdings) from time to time.

   The SATS PSP and the SATS RSP were adopted at an Extraordinary General Meeting of the Company held on 19 July 2005 for an initial duration of 10 years and subsequently at the Annual General Meeting held on 23 July 2014, were extended for a further period of 10 years up to 18 July 2025. The SATS RSP was altered at the Annual General Meeting held on 18 July 2019 to, *inter alia*, permit grants of fully paid Shares to be made to the non-executive Directors of the Company as part of their remuneration in respect of their office as such in lieu of cash. The SATS PSP and SATS RSP are due to expire on 18 July 2025. The SATS Employee Share Option Plan was adopted in 2000 and expired in 2010. The final grant of share options under the SATS Employee Share Option Plan was made in July 2008 and the last options granted under the SATS Employee Share Option Plan expired on 30 June 2018. There are no longer any outstanding options under the SATS Employee Share Option Plan.

   Please refer to the Letter to Shareholders for more details.

Notice of Annual General Meeting

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

NOTES:

Format of Meeting

1. The 51st Annual General Meeting of the Company will be held, in a wholly physical format, at the Grand Ballroom, Level 4, Grand Copthorne Waterfront Hotel Singapore, 392 Havelock Road, Singapore 169663 on Friday, 19 July 2024 at 11.00 a.m.. Shareholders, including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the 51st Annual General Meeting by attending the 51st Annual General Meeting in person. **There will be no option for shareholders to participate virtually**.

   Printed copies of this Notice and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL https://www.sats.com.sg/AGM2024 and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Appointment of Proxy(ies)

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the 51st Annual General Meeting. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the 51st Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.

4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sats-agm2024@boardroomlimited.com.

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the 51st Annual General Meeting.

5. CPF and SRS investors:

   (a) may vote at the 51st Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the 51st Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 9 July 2024.

Submission of Questions

6. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the 51st Annual General Meeting in advance of the 51st Annual General Meeting:

   (a) by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) via email to the Company at sats_ir@sats.com.sg.

   When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

   All questions submitted in advance must be received by 8 July 2024.

7. The Company will address all substantial and relevant questions received from shareholders by the 8 July 2024 deadline by publishing its responses to such questions on the Company's website at the URL https://www.sats.com.sg/AGM2024 and the SGX website at the URL https://www.sgx.com/securities/company-announcements at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies). The Company will respond to questions or follow-up questions submitted after the 8 July 2024 deadline either within a reasonable timeframe before the 51st Annual General Meeting, or at the 51st Annual General Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

8. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the 51st Annual General Meeting, at the 51st Annual General Meeting itself.

Access to Documents

9. (a) The Letter to Shareholders dated 20 June 2024 (in relation to the proposed renewal of the mandate for interested person transactions, the proposed renewal of the share purchase mandate and the proposed extension of, and alterations to, the SATS PSP and the SATS RSP) may be accessed from the date of this Notice at the Company's website at the URL https://www.sats.com.sg/AGM2024 by clicking on the link for "Letter to Shareholders 2024" under "AGM 2024 Documents".

   (b) The SATS Annual Report for FY2023-24 may be accessed from 4 July 2024 at the Company's website at the URL https://www.sats.com.sg/AGM2024 by clicking on the link for "SATS Annual Report FY2023-24" under "AGM 2024 Documents".

   The above documents will also be made available on the SGX website from the dates specified above at the URL https://www.sgx.com/securities/company-announcements.

   Members may request for printed copies of these documents by completing and submitting the Request Form sent to them by post together with printed copies of this Notice and the accompanying proxy form, or otherwise made available on the Company's website at the URL https://www.sats.com.sg/AGM2024 and the SGX website at the URL https://www.sgx.com/securities/company-announcements, by 8 July 2024.

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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) to comply with any applicable laws, listing rules, take-over 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 or service providers), 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 or service providers) 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 for the proposed final dividend being obtained at the 51st Annual General Meeting of the Company to be held on 19 July 2024, the Transfer Books and Register of Members of the Company will be closed on 26 July 2024 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, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, up to 5.00 p.m. on 25 July 2024 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 of the Company as at 5.00 p.m. on 25 July 2024 will be entitled to the proposed final dividend.

The proposed final dividend, if approved by shareholders on 19 July 2024, will be paid on 8 August 2024.

Additional Information on Directors Seeking Re-election

(Information as at 21 May 2024)

Name of Director	KERRY MOK TEE HEONG	ACHAL AGARWAL	VINITA BALI	PIER LUIGI SIGISMONDI	MAK SWEE WAH	CHAN LAI FUNG	IRVING TAN TIANG YEW
Date of appointment	**1 January 2022**	**1 September 2016**	**10 May 2021**	**5 September 2023**	**11 September 2023**	**28 February 2024**	**16 May 2024**
Date of last re-appointment (if applicable)	**Nil**	**22 July 2022**	**22 July 2021**	**Not Applicable**	**Not Applicable**	**Not Applicable**	**Not Applicable**
Age	**53**	**65**	**69**	**58**	**64**	**60**	**54**
Country of principal residence	**Singapore**	**Singapore**	**India**	**Singapore**	**Singapore**	**Singapore**	**Singapore**
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board considered the Nominating Committee's recommendation and assessment on Mr Mok's background, expertise, experience, diversity of skillsets, contributions and commitment in the discharge of his duties as an Executive Director and President and Chief Executive Officer (PCEO) of SATS Ltd., and is satisfied that he will continue to provide the Board with insights into the business.	The Board has considered the Nominating Committee's recommendation and assessment on Mr Agarwal's background, expertise, experience, independence, contributions and commitment in the discharge of his duties as an Independent Director of SATS Ltd., and is satisfied that he will continue to contribute meaningfully to the Board.	The Board considered the Nominating Committee's recommendation and assessment on Ms Bali's background, expertise, experience, diversity of skillsets, independence, contributions and commitment in the discharge of her duties as an Independent Director of SATS Ltd., and is satisfied that she will continue to contribute to the Board.	The Board has considered the Nominating Committee's recommendation and assessment on Mr Sigismondi's background, expertise, experience, diversity of skillsets, independence, contributions and commitment in the discharge of his duties as an Independent Director of SATS Ltd., and is satisfied that he will continue to contribute meaningfully to the Board.	The Board has considered the Nominating Committee's recommendation and assessment on Mr Mak's background, expertise, experience, diversity of skillsets, independence, contributions and commitment in the discharge of his duties as an Independent Director of SATS Ltd., and is satisfied that he will continue to contribute meaningfully to the Board.	The Board has considered the Nominating Committee's recommendation and assessment on Ms Chan's background, expertise, experience, diversity of skillsets, independence, contributions and commitment in the discharge of her duties as an Independent Director of SATS Ltd., and is satisfied that she will continue to contribute meaningfully to the Board.	The Board has considered the Nominating Committee's recommendation and assessment on Mr Tan's background, expertise, experience, diversity of skillsets, independence, contributions and commitment in the discharge of his duties as an Independent Director of SATS Ltd., and is satisfied that he will continue to contribute meaningfully to the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Executive Director • President and Chief Executive Officer • Member, Executive Committee	• Non-Executive and Independent Director • Member, Executive Committee • Member, Remuneration and Human Resource Committee	• Non-Executive and Independent Director • Member, Audit Committee • Member, Executive Committee	• Independent Non-Executive Director • Member, Safety, Sustainability and Risk Committee	• Non-Executive and Independent Director • Member, Audit Committee	• Non-Executive and Independent Director • Member, Safety, Sustainability and Risk Committee	• Chairman-Designate • Non-Executive and Independent Director
Professional qualifications	• Bachelor of Business, Accounting (First Class Honours), Monash University, Australia	• BA (Hons), History, University of Delhi • MBA, University of Delhi • AMP, Wharton Business School	• Bachelor of Economics, University of Delhi • Master of Management Studies, Jamnalal Bajaj Institute of Management Studies, Bombay University	• MS in Industrial Engineering, Georgia Institute of Technology, Atlanta, USA • Computer Scientist & Systems Engineer, Universidad Simon Bolivar, Venezuela • Executive Program, Singularity University • C-Suite Business & Leadership Executive Program, Harvard Business School • Leadership Development Program, IMD	• Masters Degree in Science, majoring in Operational Research • Bachelor of Science (First Class Honours) in Accounting & Finance, London School of Economics and Political Science	• Bachelor of Economics (First Class Honours), Monash University, Australia	• Bachelor's degree in Mechanical Engineering (Honours), Nanyang Technological University • Master's degree in Business Administration, Nanyang Technological University • Honorary doctoral degree in Engineering, Curtin University

Additional Information on Directors Seeking Re-election

(Information as at 21 May 2024)

Name of Director	KERRY MOK TEE HEONG	ACHAL AGARWAL	VINITA BALI	PIER LUIGI SIGISMONDI	MAK SWEE WAH	CHAN LAI FUNG	IRVING TAN TIANG YEW
Working experience and occupation(s) during the past 10 years	Mr Kerry Mok is the PCEO of SATS and joined the company since June 2018. Prior to this, he was the Chief Executive Officer of YCH Group. Mr Mok is a seasoned executive with more than 25 years of experience in supply chain management and logistics. He held various senior appointments prior to his move to YCH Group, including his role in Goodpack Limited as the acting Chief Executive Officer and Chief Operating Officer. Before that, he held the position of Managing Director, Strategy – Operations and was also head of the ASEAN Supply Chain Strategy practice for Accenture. Mr Mok was also previously Senior Vice President – Global Head of Technology Sector and APAC Technology Sector & Service Logistics with DHL, accountable for the strategy and growth of the Global Technology Sector for DHL Supply Chain. He has been an active contributor to tripartite initiatives. Mr Mok is a member of the Future Economy Council's Connectivity Sub-Committee since 7 January 2022 and served on the Ministry of Communication and Information's Infocomm Media Master Plan 2025 working group. Mr Mok was also recently appointed by Ministry of Transport as a member of the International Advisory Panel for Sustainable Air Hub.	Mr Agarwal joined Kimberly-Clark in 2008 as President for the company's North Asia business, and subsequently as President, Asia Pacific. He has accelerated growth and market share gains in emerging markets like China and ASEAN. He was the Chief Strategy & Transformation Officer, Kimberly-Clark Corporation before he retired on 1 January 2021.	Ms Bali was the Chief Executive Officer of Britannia Industries Ltd., a publicly listed bakery and dairy company in India from 2005 to 2014 and a Non-Executive Director of Crisil Ltd from 2014 to February 2024. Since 2014, she has been serving as a Non-Executive Director on global and Indian boards. She is currently a Non-Executive Director of Cognizant Technology Solutions Corporation, Syngene International Ltd. and Bajaj Auto Limited.	Mr Pier Luigi Sigismondi was the Executive Vice President & President of Dole Sunshine Company (Dole). Prior to Dole, he held various key positions at Unilever PLC, Nestlé SA (CH) and Nestlé Mexico. He has also served as Non-Executive Director of Rexel SA Supervisory Board and was a Board Member of Ben & Jerry's. In August 2020, Mr Sigismondi was appointed as the Executive Chairman of Sustenir Group, a promising vertical farming start-up located in Singapore. In addition, he also played an active role as a Board Member of the Singapore Food Agency and a member of Future Economic Council for Resource and Environmental Sustainability.	Mr Mak Swee Wah joined Singapore Airlines Limited (SIA) in 1983 and worked in a number of management positions in Singapore as well as overseas. Mr Mak was appointed as General Manager of SilkAir (Singapore) Private Limited in 1997. From 2000, Mr Mak held senior management positions in the marketing, planning and operational areas in SIA. Mr Mak was promoted to Executive Vice President for Operations and Services on 1 January 2008 and was appointed Executive Vice President Commercial on 1 February 2011. Mr Mak assumed the post of Executive Vice President Operations on 1 April 2020. Mr Mak was also a Non-Executive Director of SIA Engineering Company Limited from 1 April 2020 to 9 September 2023.	Ms Chan was appointed the Permanent Secretary of the Ministry of Education from 2012 to 2019. Ms Chan went on to hold concurrent roles as the Permanent Secretary (National Research & Development) and Board Member of the National Research Foundation, the Permanent Secretary (Science & Technology Policy and Plans Office), Prime Minister's Office and the Chairman of Agency for Science, Technology and Research from 2019 to 2023, before she retired from the Singapore Public Service in October 2023.	Mr Irving Tan is currently the Executive Vice President of Global Operations of Western Digital Corporation (WD) where he is responsible for all global operations functions, including manufacturing operations, procurement, supply chain and IT. Prior to WD, Mr Tan was the Chairman, Asia-Pacific, Japan & China of Cisco Systems (USA) Pte. Ltd. (Cisco) from 2020 to February 2022, having been with Cisco since 2009. Prior to his Chairmanship, Mr Tan held various senior management positions in strategy, operations and sales in Cisco. Mr Tan previously served as a director on the Boards of Stanley Black & Decker, the Singapore Economic Development Board, and PSA International.

Additional Information on Directors Seeking Re-election

(Information as at 21 May 2024)

Name of Director	KERRY MOK TEE HEONG	ACHAL AGARWAL	VINITA BALI	PIER LUIGI SIGISMONDI	MAK SWEE WAH	CHAN LAI FUNG	IRVING TAN TIANG YEW
Shareholding in the listed issuer and its subsidiaries	497,126 ordinary shares in SATS Ltd. 232,058 unvested shares awarded under the SATS Restricted Share Plan 346,149 contingent awards under the SATS Performance Share Plan	91,683 ordinary shares in SATS Ltd.	17,044 ordinary shares	Nil	21,235 ordinary shares of SATS Ltd.	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Mr Sigismondi is the Executive Chairman of Sustenir Group Pte. Ltd., which may from time to time, enter into transactions with SATS Group. To mitigate any conflict of interest between Sustenir Group and SATS Group, he will recuse himself from participating in all matters between SATS Group and Sustenir Group, and/or any of Sustenir's competitors.	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Additional Information on Directors Seeking Re-election

(Information as at 21 May 2024)

Name of Director	KERRY MOK TEE HEONG	ACHAL AGARWAL	VINITA BALI	PIER LUIGI SIGISMONDI	MAK SWEE WAH	CHAN LAI FUNG	IRVING TAN TIANG YEW
Other Principal Commitments* including Directorships							
Past (for the last 5 years)	*Other listed companies* Nil *Other principal commitments* • Director, Beijing Airport Inflight Kitchen Ltd • Director, Food and Allied Support Services Corporation Pte. Ltd. • Director, Goodpack India Pvt Ltd • Director, Taj Madras Flight Kitchen Private Limited • Director, Taj SATS Air Catering Limited	*Other listed companies* Nil *Other principal commitments* • Chairman, WWF-World Wide Fund For Nature (Singapore) Limited • Chairman, Yuhan-Kimberly Limited • Director, Kimberly-Clark Asia Pacific Headquarters Pte. Ltd. • Director, Singapore International Chamber of Commerce • Director, Asian Venture Philanthropy Network Limited (AVPN) • Council member, Singapore Business Federation • President, Asia Pacific, Kimberly-Clark Corporation • Chief Strategy & Transformation Officer, Kimberly-Clark Corporation	*Other listed companies* • Non-Executive Director, Smith & Nephew plc. (LSE) • Non-Executive Director, Titan Company Ltd. (BSE/NSE) • Non-Executive Director, Bunge Ltd. (NYSE) • Non-Executive Director, Crisil Ltd. (BSE/NSE) *Other Principal Commitments* • Chairman, Global Alliance for Improved Nutrition • Non-Executive Director, Syngenta Ltd. • Chair, Board of Governors of Welham Girls' School • Member, Board of Governors, Indian Institute of Management, Bangalore • Non-Executive Director, Fabindia Overseas Pvt.	• Executive Vice President & President – Worldwide Food & Beverages Group of Dole Sunshine Company (Singapore) • Executive Vice President & President of Dole Asia Holdings Pte. Ltd. • Board Member of Singapore Food Agency • Committee Member of Future Economy Council (Resources & Environmental Sustainability)	• Director, TATA SIA Airlines Limited • Chairman, SilkAir (Singapore) Private Limited • Non-Executive Director, SIA Engineering Company Limited • Executive Vice President Operation Officer, SIA	• Permanent Secretary (National Research & Development) and Board Member, National Research Foundation • Permanent Secretary (Science & Technology Policy and Plans Office), Prime Minister's Office • Board Chairman, Agency for Science, Technology & Research • Permanent Secretary (Education), Ministry of Education • Board Chairman, National Institute of Education • Board Member, Nanyang Technological University • Board Member, PSA International Pte Ltd	• Director, PSA International Pte Ltd • Director, School of Science and Technology, Singapore • Director, Singapore Economic Development Board • Director, Stanley Black & Decker, Inc. (NYSE) • Chairman Asia-Pacific, Japan & China of Cisco Systems (USA) Pte. Ltd. • Executive Vice President and Global Chief of Operations of Cisco System Inc

* "Principal Commitments" has the same meaning as defined in the Code

Additional Information on Directors Seeking Re-election

(Information as at 21 May 2024)

Name of Director	KERRY MOK TEE HEONG	ACHAL AGARWAL	VINITA BALI	PIER LUIGI SIGISMONDI	MAK SWEE WAH	CHAN LAI FUNG	IRVING TAN TIANG YEW
Present	*Other listed companies* Nil *Other principal commitments* • Chairman, Asia Airfreight Terminal Company Limited • Chairman, Nanjing Weizhou Airline Food Corp. Ltd. • Chairman, TFK Corporation • Chairman, WFS Sweden AB • President Managing Director, Worldwide Flight Services Holding SA • Director, SATS (India) Co. Private Limited • Director, SATS Investments Pte. Ltd. • Director, SATS Investments (II) Pte. Ltd. • Director, SATS Investments (III) Pte. Ltd. • Director, SATS Treasury Pte. Ltd. • Director, IAS Logistics DFW LLC d/b/a Pinnacle Logistics • Director, Worldwide Flight Services Denmark A/S • Director, Worldwide Flight Services Holding SA (Hong Kong Branch) • Director, Worldwide Flight Services Holdings Inc. • Director, Worldwide Flight Services, Inc. • Director, Worldwide Flight Services Inc. (Virgin Islands Branch) • Director, Worldwide Flight Services Inc. (Jamaica Branch) • Director, Worldwide Flight Services Servicios Aeroportuarios SA	*Other listed companies* • Non-Executive Director, Amcor Plc. *Other principal commitments* • Board of Trustee, World Wide Fund Singapore Conservation Fund • Senior Advisor, Accenture Pte. Ltd.	*Other listed companies* • Non-Executive Director, Cognizant Technology Solutions Corporation (NASDAQ) • Non-Executive Director, Syngene International Ltd. (BSE/NSE) • Non-Executive and Independent Director, Bajaj Auto Limited (BSE/NSE) *Other Principal Commitments* • Strategic Advisor, Caraway Pte Ltd • Board of Trustee, Shell Foundation	• Executive Chairman and Director of Sustenir Group Pte. Ltd.	• Director, Mount Faber Leisure Group Pte. Ltd. • Member, Civil Aviation Authority of Singapore – Air Hub Development Advisory Committee • Senior Fellow, Singapore Aviation Academy	• Deputy Chairman and Board Member, NTUC Health • Adjunct Professor, Institute for Governance and Leadership, Lee Kuan Yew School of Public Policy, National University of Singapore	• Executive Vice President, Global Operations, Western Digital • Director, Scandisk Storage Pte. Ltd.

Additional Information on Directors Seeking Re-election

(Information as at 21 May 2024)

INFORMATION REQUIRED

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any questions is "yes", full details must be given.

Name of Director	KERRY MOK TEE HEONG	ACHAL AGARWAL	VINITA BALI	PIER LUIGI SIGISMONDI	MAK SWEE WAH	CHAN LAI FUNG	IRVING TAN TIANG YEW
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No	No	No

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Proxy Form

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

IMPORTANT

1. The 51st Annual General Meeting of the Company will be held, in a wholly physical format, at the Grand Ballroom, Level 4, Grand Copthorne Waterfront Hotel Singapore, 392 Havelock Road, Singapore 169663 on Friday, 19 July 2024 at 11.00 a.m.. **There will be no option for shareholders to participate virtually.**
2. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).**
3. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors. CPF and SRS investors:
   (a) may vote at the 51st Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the 51st Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 9 July 2024.
4. 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 20 June 2024.

*I/We ______________________ (Name) ______________________ (*NRIC/Passport No./Co. Regn. 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

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, speak and vote for *me/us and on *my/our behalf, at the AGM of the Company to be held at the Grand Ballroom, Level 4, Grand Copthorne Waterfront Hotel Singapore, 392 Havelock Road, Singapore 169663 on Friday, 19 July 2024 at 11.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or to abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no person is named in the above boxes, the Chairman of the AGM shall be *my/our proxy to vote for or against or to abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf at the AGM and at any adjournment thereof.

No.	Resolutions	**For	**Against	**Abstain
	Ordinary Business			
1	Adoption of the Directors' Statement, the Audited Financial Statements and the Auditors' Report thereon			
2	Declaration of a final dividend			
3	Re-election of Mr Kerry Mok Tee Heong as Director			
4	Re-election of Mr Achal Agarwal as Director			
5	Re-election of Ms Vinita Bali as Director			
6	Re-election of Mr Pier Luigi Sigismondi as Director			
7	Re-election of Mr Mak Swee Wah as Director			
8	Re-election of Ms Chan Lai Fung as Director			
9	Re-election of Mr Irving Tan Tiang Yew as Director			
10	Approval of Directors' fees for the financial year ending 31 March 2025			
11	Re-appointment of Auditors and authorisation for Directors to fix their remuneration			
	Special Business			
12	To grant authority to the Directors to issue additional shares and convertible instruments pursuant to Section 161 of the Companies Act 1967			
13	To approve the proposed renewal of the Mandate for Interested Person Transactions			
14	To approve the proposed renewal of the Share Purchase Mandate			
15	To approve the proposed extension of, and alterations to, the SATS Performance Share Plan and the SATS Restricted Share Plan and to grant authority to the Directors to grant awards and allot and issue shares in accordance with the provisions of the SATS Performance Share Plan (as altered) and/or the SATS Restricted Share Plan (as altered)			

* *Delete accordingly.*

** *Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "**For**" or "**Against**" a resolution, please indicate with a (√) in the "**For**" or "**Against**" box provided in respect of that resolution. Alternatively, please indicate the number of votes "**For**" or "**Against**" in the "**For**" or "**Against**" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a (√) in the "**Abstain**" box provided in respect of that resolution. Alternatively, please indicate the number of shares your proxy/proxies is directed to abstain from voting in the "**Abstain**" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.*

Dated this ____________ day of ____________ 2024

Total Number of Shares Held	

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

____
Contact Number/Email Address of Member(s)

Important: Please read notes on the reverse side

Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register as well as shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.
3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the Meeting as his/her/its proxy.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar at sats-agm2024@boardroomlimited.com,

   and in each case, must be lodged or received (as the case may be) not less than 72 hours before the time appointed for holding the AGM.
5. The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted personally or by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its constitution and Section 179 of the Companies Act 1967.
7. Completion and return of an instrument appointing a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the AGM. Any appointment of a proxy(ies) shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
8. The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company shall be entitled to reject any instrument appointing a proxy(ies) which has been lodged or submitted if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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Please affix postage stamp

The Company Secretary
SATS Ltd.
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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Corporate Information

As at 21 May 2024

BOARD OF DIRECTORS

Euleen Goh Yiu Kiang
Chairman, Independent Non-Executive

Irving Tan Tiang Yew
Chairman-Designate,
Independent Non-Executive

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

Independent Non-Executive
Achal Agarwal
Vinita Bali
Chan Lai Fung
Chia Kim Huat
Eng Aik Meng
Jenny Lee Hong Wei
Mak Swee Wah
Pier Luigi Sigismondi
Jessica Tan Soon Neo
Deborah Tan Yang Sock (Deborah Ong)
Detlef Andreas Trefzger

BOARD COMMITTEES

Audit Committee
Deborah Ong (Chairman)
Vinita Bali
Mak Swee Wah
Jessica Tan Soon Neo

Executive Committee
Euleen Goh Yiu Kiang (Chairman)
Kerry Mok Tee Heong
Achal Agarwal
Vinita Bali

Nominating Committee
Jessica Tan Soon Neo (Chairman)
Chia Kim Huat
Euleen Goh Yiu Kiang

Remuneration and Human Resource Committee
Euleen Goh Yiu Kiang (Chairman)
Achal Agarwal
Eng Aik Meng

Safety, Sustainability and Risk Committee
Detlef Andreas Trefzger (Chairman)
Chan Lai Fung
Chia Kim Huat
Deborah Ong
Pier Luigi Sigismondi

COMPANY SECRETARY

Ian Chye

ASSISTANT COMPANY SECRETARY

Evelyn Low Siew Tian

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961

Audit Partner: Malcolm Ramsay
(Appointed since FY2022-23)

GROUP MANAGEMENT BOARD

Kerry Mok Tee Heong
President and Chief Executive Officer

Manfred Seah Kok Khong
Chief Financial Officer

François Mirallié
Deputy Chief Executive Officer,
WFS, A Member of the SATS Group

Stanley Goh
Chief Executive Officer, Food Solutions

Bob Chi Cheng Kwok
Chief Executive Officer, Gateway Services

Michael Simpson
Chief Executive Officer, Americas
WFS, A Member of the SATS Group

John Batten
Chief Executive Officer, EMEAA
WFS, A Member of the SATS Group

Tan Chee Wei
Chief Human Capital Officer

Henry Low Eng Kiat
Chief Operating Officer

Véronique Crémadès-Mathis
Chief Strategy and Commercial Officer

Ian Chye
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