



**UNAUDITED RESULTS FOR THE SECOND HALF
AND FULL YEAR ENDED 31 MARCH 2023**

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

For the second half and full year ended 31 March 2023 (in \$ million)

	GROUP			
	2 nd Half		Full Year	
	2022-23	2021-22	2022-23	2021-22
Revenue	953.8	607.3	1,758.3	1,176.8
Expenditure				
Staff costs	(465.1)	(307.2)	(891.8)	(550.6)
Cost of raw materials	(178.6)	(157.7)	(336.3)	(311.1)
Licence fees	(38.2)	(3.9)	(56.4)	(16.3)
Depreciation and amortisation charges	(91.8)	(58.9)	(175.8)	(119.7)
Company premise and utilities expenses	(70.0)	(40.5)	(124.2)	(73.9)
Other costs	(115.8)	(85.7)	(221.8)	(147.8)
	<u>(959.5)</u>	<u>(653.9)</u>	<u>(1,806.3)</u>	<u>(1,219.4)</u>
Operating loss	(5.7)	(46.6)	(48.0)	(42.6)
Interest on borrowings	(7.9)	(8.6)	(18.6)	(17.1)
Interest income	6.8	1.8	9.9	3.3
Share of results of associates/joint ventures, net of tax	27.8	16.2	45.4	17.1
Other non-operating (loss)/gain, net	(16.6)	13.0	(32.5)	12.2
Profit/(loss) before tax	4.4	(24.2)	(43.8)	(27.1)
Income tax (expense)/credit	(2.4)	22.5	5.2	31.4
Profit/(loss) for the period/year	<u>2.0</u>	<u>(1.7)</u>	<u>(38.6)</u>	<u>4.3</u>
Profit/(loss) attributable to:				
Owners of the Company	6.0	7.2	(26.5)	20.4
Non-controlling interests	(4.0)	(8.9)	(12.1)	(16.1)
	<u>2.0</u>	<u>(1.7)</u>	<u>(38.6)</u>	<u>4.3</u>
Core PATMI (\$'M) ⁽¹⁾	7.7	(21.7)	(26.7)	(8.5)
EBITDA (\$'M) ⁽²⁾	113.9	28.5	173.2	94.2
Return on Equity (%) ⁽³⁾	0.3	0.5	(1.3)	1.3

1. Core PATMI refers to net profit attributable to owners of the Company excluding the following one-off items:

	2 nd Half		Full Year	
	2022-23	2021-22	2022-23	2021-22
(i) Impairment loss for an associate	(1.7)	–	(1.7)	–
(ii) Gain on disposal of an associate	–	–	1.9	–
(iii) Gain on deemed disposal of associates	–	28.9	–	28.9

2. EBITDA refers to earnings (including Share of results of associates/joint ventures) before interest, tax, depreciation and amortisation; and excludes one-off items. Excluding Share of results of associates/joint ventures, EBITDA for FY23 and FY22 would be \$127.8M and \$77.1M respectively while EBITDA for 2nd half FY23 and 2nd half FY22 would be \$86.1M and \$12.3M respectively.
3. Return on equity ("ROE") is profit attributable to owners of the Company expressed as a percentage of the average equity holders' funds for the respective periods (non annualised).

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the second half and full year ended 31 March 2023 (in \$ million)

	GROUP			
	2nd Half		Full Year	
	2022-23	2021-22	2022-23	2021-22
Profit/(loss) for the period/year	2.0	(1.7)	(38.6)	4.3
Other comprehensive income				
<u>Items that will not be reclassified to profit or loss:</u>				
Actuarial loss on defined benefit plan	(0.3)	(5.4)	(0.2)	(5.4)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Net fair value changes on financial assets	(0.1)	0.1	(0.4)	0.6
Hedge translation differences	12.4	–	12.4	–
Foreign currency translation differences	(54.0)	17.0	(55.2)	27.6
	<u>(41.7)</u>	<u>17.1</u>	<u>(43.2)</u>	<u>28.2</u>
Other comprehensive income for the period/year, net of tax	<u>(42.0)</u>	<u>11.7</u>	<u>(43.4)</u>	<u>22.8</u>
Total comprehensive income for the period/year	<u>(40.0)</u>	<u>10.0</u>	<u>(82.0)</u>	<u>27.1</u>
Total comprehensive income attributable to:				
Owners of the Company	(27.5)	24.7	(62.7)	48.8
Non-controlling interests	(12.5)	(14.7)	(19.3)	(21.7)
Total comprehensive income for the period/year	<u>(40.0)</u>	<u>10.0</u>	<u>(82.0)</u>	<u>27.1</u>

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

CONDENSED STATEMENTS OF FINANCIAL POSITION
As at 31 March 2023 (in \$ million)

	Notes	GROUP		COMPANY	
		31.3.2023	31.3.2022	31.3.2023	31.3.2022
Equity attributable to owners of the Company					
Share capital	11	1,153.5	367.9	1,153.5	367.9
Treasury shares	11	(0.9)	(8.5)	(0.9)	(8.5)
Share-based compensation reserve	11	5.2	4.9	5.2	4.9
Statutory reserve		14.0	13.5	–	–
Foreign currency translation reserve		(168.5)	(119.5)	–	–
Revenue reserve		1,342.6	1,368.8	1,424.2	1,345.1
Other reserves*		(12.3)	(24.5)	(26.3)	(26.4)
		<u>2,333.6</u>	<u>1,602.6</u>	<u>2,555.7</u>	<u>1,683.0</u>
Non-controlling interests		<u>181.2</u>	<u>231.1</u>	<u>–</u>	<u>–</u>
Total equity		<u>2,514.8</u>	<u>1,833.7</u>	<u>2,555.7</u>	<u>1,683.0</u>
Non-current assets					
Property, plant and equipment	8	579.2	589.6	13.0	18.8
Right-of-use assets		321.0	312.8	79.6	59.5
Investment properties		–	–	131.6	147.6
Intangible assets		527.1	553.2	28.2	25.0
Investment in subsidiaries		–	–	934.5	923.7
Investment in associates		377.9	393.8	213.9	221.3
Investment in joint ventures		66.4	60.2	12.0	12.0
Long-term investment		14.3	14.6	6.1	6.1
Loan to subsidiaries		–	–	350.0	388.4
Deferred tax assets		55.6	57.4	–	–
Other non-current assets		9.4	14.7	–	2.2
		<u>1,950.9</u>	<u>1,996.3</u>	<u>1,768.9</u>	<u>1,804.6</u>
Current assets					
Trade and other receivables		481.0	387.8	2,075.8	158.4
Prepayments and deposits		20.6	36.7	5.8	3.2
Amounts due from associates/joint ventures		2.0	2.3	0.9	1.5
Loan to associates		2.1	–	2.1	–
Loan to subsidiaries		–	–	77.1	–
Inventories		68.7	83.2	0.8	0.8
Cash and cash equivalents		374.4	786.0	181.4	505.8
Deposits with notary		1,774.0	–	–	–
		<u>2,722.8</u>	<u>1,296.0</u>	<u>2,343.9</u>	<u>669.7</u>
Current liabilities					
Trade and other payables		522.4	458.0	171.1	132.7
Amounts due to associates/joint ventures		11.6	11.4	–	–
Income tax payable		18.3	18.1	9.0	9.7
Notes and borrowings	10	13.0	101.7	163.0	167.8
Lease liabilities	10	41.1	41.4	3.6	2.8
		<u>606.4</u>	<u>630.6</u>	<u>346.7</u>	<u>313.0</u>
Net current assets		<u>2,116.4</u>	<u>665.4</u>	<u>1,997.2</u>	<u>356.7</u>
Non-current liabilities					
Deferred tax liabilities		88.3	90.4	25.9	26.9
Notes and borrowings	10	1,133.5	409.1	1,101.3	386.7
Lease liabilities	10	290.8	285.7	78.6	58.0
Other non-current payables		39.9	42.8	4.6	6.7
		<u>1,552.5</u>	<u>828.0</u>	<u>1,210.4</u>	<u>478.3</u>
Net assets		<u>2,514.8</u>	<u>1,833.7</u>	<u>2,555.7</u>	<u>1,683.0</u>

* Other reserves consist of gain/(loss) on reissuance of treasury shares, capital reserve and fair value reserve.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the full year ended 31 March 2023 (in \$ million)

	GROUP	
	Full Year	
	2022-23	2021-22
<u>Cash flows from operating activities</u>		
Loss before tax	(43.8)	(27.1)
Adjustments for:		
Interest expense, net	8.7	13.8
Depreciation and amortisation charges	175.8	119.7
Unrealised foreign exchange loss	0.4	–
Share of results of associates/joint ventures, net of tax	(45.4)	(17.1)
Gain on disposal of property, plant and equipment	(13.0)	(0.2)
Impairment loss for an associate	1.7	–
Impairment loss on property, plant and equipment	–	16.9
Share-based compensation expense	8.9	7.6
Gain on deemed disposal of associate	–	(28.9)
Gain on disposal of associate	(1.9)	–
Provision for doubtful debts	0.2	11.1
Other non-cash items	2.3	0.8
Operating cash flows before working capital changes	93.9	96.6
Changes in working capital:		
Increase in receivables	(90.4)	(79.3)
Decrease/(increase) in prepayments and deposits	16.2	(15.7)
Decrease in inventories	12.8	47.2
Increase in payables	69.3	48.0
Decrease/(increase) in amounts due from associates/joint ventures, net	0.1	(0.5)
Cash generated from operations	101.9	96.3
Interest paid to third parties	(19.6)	(17.0)
Income taxes paid	(2.7)	(17.0)
Net cash from operating activities	79.6	62.3
<u>Cash flows from investing activities</u>		
Capital expenditure	(119.4)	(77.9)
Dividends from associates/joint ventures	23.5	26.6
Proceeds from disposal of property, plant and equipment	25.5	0.4
Net proceeds from sale of investments	–	0.3
Net proceeds from sale of associate	3.1	–
Investment in subsidiaries - cash acquired net of considerations paid for acquisition	–	80.6
Investment in joint venture	(0.1)	–
Interest received from deposits	9.5	3.3
Loan to an associate	–	(2.2)
Deposit with notary	(1,774.0)	–
Net cash (used in)/from investing activities	(1,831.9)	31.1
<u>Cash flows from financing activities</u>		
Repayment of term loans	(106.4)	(182.0)
Repayment of lease liabilities	(60.1)	(26.0)
Proceeds from borrowings	752.9	21.1
Net proceeds from issuance of new shares pursuant to rights issue	789.7	–
Dividends paid to non-controlling interest	(36.1)	(2.4)
Net cash from/(used in) financing activities	1,340.0	(189.3)
Net decrease in cash and cash equivalents	(412.3)	(95.9)
Effect of exchange rate changes	0.7	2.1
Cash and cash equivalents at beginning of financial year	786.0	879.8
Cash and cash equivalents at end of financial year	374.4	786.0

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

CONDENSED STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 March 2023 (in \$ million)

GROUP	Attributable to owners of the Company											
	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve*	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total	Non-controlling Interests	Total Equity
Balance at 1 April 2022	367.9	(8.5)	4.9	13.5	(119.5)	1,368.8	1.1	(26.4)	0.8	1,602.6	231.1	1,833.7
Loss for the year	–	–	–	–	–	(26.5)	–	–	–	(26.5)	(12.1)	(38.6)
Other comprehensive income for the year	–	–	–	–	(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
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
Treasury shares reissued pursuant to share-based compensation	–	7.6	(7.3)	–	–	–	–	0.1	–	0.4	–	0.4
Total contributions by and distributions to owners	785.6	7.6	0.3	–	–	–	–	0.1	–	793.6	–	793.6
Others												
Purchase price allocation of non-controlling interest in 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	14.0	(168.5)	1,342.6	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.

CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 March 2023 (in \$ million)

GROUP	Attributable to owners of the Company											Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Statutory Reserve*	Foreign Currency Translation Reserve	Revenue Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	Fair Value Reserve	Total			
Balance at 1 April 2021	367.9	(18.8)	9.4	13.5	(150.2)	1,349.0	1.1	(25.7)	0.1	1,546.3	152.5	1,698.8	
Profit/(loss) for the year	–	–	–	–	–	20.4	–	–	–	20.4	(16.1)	4.3	
Other comprehensive income for the year	–	–	–	–	30.7	(3.0)	–	–	0.7	28.4	(5.6)	22.8	
Total comprehensive income for the year	–	–	–	–	30.7	17.4	–	–	0.7	48.8	(21.7)	27.1	
Contributions by and distributions to owners													
Share-based compensation	–	–	7.6	–	–	–	–	–	–	7.6	–	7.6	
Share awards lapsed	–	–	(2.4)	–	–	2.4	–	–	–	–	–	–	
Treasury shares reissued pursuant to share-based compensation	–	10.3	(9.7)	–	–	–	–	(0.7)	–	(0.1)	–	(0.1)	
Total contributions by and distributions to owners	–	10.3	(4.5)	–	–	2.4	–	(0.7)	–	7.5	–	7.5	
Others													
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	102.7	102.7	
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(2.4)	(2.4)	
Balance at 31 March 2022	367.9	(8.5)	4.9	13.5	(119.5)	1,368.8	1.1	(26.4)	0.8	1,602.6	231.1	1,833.7	

* 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.

CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 March 2023 (in \$ million)

<u>COMPANY</u>	Share Capital	Treasury Shares	Share-Based Compensation Reserve	Revenue Reserve	Loss on Reissuance of Treasury Shares	Total Equity
Balance at 1 April 2022	367.9	(8.5)	4.9	1,345.1	(26.4)	1,683.0
Profit for the year	–	–	–	79.1	–	79.1
Total comprehensive income for the year	–	–	–	79.1	–	79.1
<u>Contributions by and distributions to owners</u>						
Share-based compensation	–	–	8.9	–	–	8.9
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
Treasury shares reissued pursuant to share-based compensation	–	7.6	(7.3)	–	0.1	0.4
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
Balance at 1 April 2021	367.9	(18.8)	9.4	1,305.3	(25.7)	1,638.1
Profit for the year	–	–	–	37.4	–	37.4
Total comprehensive income for the year	–	–	–	37.4	–	37.4
<u>Contributions by and distributions to owners</u>						
Share-based compensation	–	–	7.6	–	–	7.6
Share awards lapsed	–	–	(2.4)	2.4	–	–
Treasury shares reissued pursuant to share-based compensation	–	10.3	(9.7)	–	(0.7)	(0.1)
Total contributions by and distributions to owners	–	10.3	(4.5)	2.4	(0.7)	7.5
Balance at 31 March 2022	367.9	(8.5)	4.9	1,345.1	(26.4)	1,683.0

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS **For second half and full year ended 31 March 2023 (in \$ million)**

1. Significant Accounting Policies

1.1 Corporate Information

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”). These condensed consolidated interim financial statements as at and for the year ended 31 March 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

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.

1.2 Basis of Preparation

The condensed consolidated interim financial statements for the second half and year ended 31 March 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 Interim Financial Reporting. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at and for the year ended 31 March 2022 except for the adoption of Singapore Financial Reporting Standards (International) (“SFRS(I)”) that are mandatory for financial year beginning on or after 1 April 2022. The adoption of these SFRS(I) has no significant impact on the financial statements.

The condensed consolidated interim financial statements are presented in Singapore dollar, which is the Company’s functional currency.

1.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s consolidated financial statements as at and for the year ended 31 March 2022.

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.

1.4 Seasonal Operation

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

2. Profit/(Loss) Before Tax (in \$ million)

Profit/(Loss) before tax for the period/year is arrived at after crediting/(charging) the following items

	GROUP			
	2nd Half		Full Year	
	2022-23	2021-22	2022-23	2021-22
Government grants and reliefs	36.3	59.5	59.1	145.6
Foreign exchange loss, net	(9.2)	(0.4)	(6.8)	(0.2)
Provision for doubtful debts	(0.2)	(11.4)	(0.2)	(11.1)
Write-off for stock obsolescence, net	(1.2)	(0.8)	(1.6)	(0.8)
Gain on disposal of property, plant and equipment	12.3	0.3	13.0	0.2
Impairment loss on property, plant and equipment, net of grants	–	(16.2)	–	(16.6)
Gain on deemed disposal of associate	–	28.9	–	28.9
Gain on disposal of an associate	–	–	1.9	–
Impairment loss for an associate	(1.7)	–	(1.7)	–
Merger and acquisition expenses	(26.3)	–	(44.9)	–

3. Segment Reporting

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

1. The Food Solutions segment provides mainly inflight and institutional catering, food processing, distribution services and airline laundry services.
2. The Gateway Services segment provides both airport and cruise terminal services. The airport terminal services include airfreight handling services, passenger services, aviation security services, baggage handling services and apron services to the Group's airline customers. On the provision of cruise terminal services, the segment manages and operates Marine Bay Cruise Centre.
3. The Others segment provides rental of premises and other services.

3. Segment Reporting (cont'd)**BY BUSINESS (in \$ million)**

	Food Solutions	Gateway Services	Others	Total
Second half year ended 31 March 2023				
Revenue (external)	466.7	486.6	0.5	953.8
Operating (loss)/profit	(9.3)	18.6	(15.0)	(5.7)
Net finance income/(expense)	1.1	(2.3)	0.1	(1.1)
Share of results of associates/joint ventures, net of tax	8.2	19.7	(0.1)	27.8
Gain on disposal of property, plant and equipment	12.3	–	–	12.3
Impairment loss for an associate	–	(0.2)	(1.5)	(1.7)
Other non-operating income/(expense)	0.1	(1.0)	(26.3)	(27.2)
Profit/(loss) before tax	<u>12.4</u>	<u>34.8</u>	<u>(42.8)</u>	<u>4.4</u>
Income tax (expense)/credit	(3.3)	(2.4)	3.3	(2.4)
Profit/(loss) for the period	<u>9.1</u>	<u>32.4</u>	<u>(39.5)</u>	<u>2.0</u>
Capital expenditure	42.6	15.5	4.0	62.1
Depreciation and amortisation charges	20.2	62.0	9.6	91.8
Second half year ended 31 March 2022				
Revenue (external)	330.6	275.2	1.5	607.3
Operating loss	(22.3)	(13.7)	(10.6)	(46.6)
Net finance expense	(2.1)	(1.8)	(2.9)	(6.8)
Share of results of associates/joint ventures, net of tax	(6.3)	22.5	–	16.2
Impairment loss on property, plant and equipment, net of grants	(16.2)	–	–	(16.2)
Gain on deemed disposal of associate	–	28.9	–	28.9
Other non-operating income/(expense)	0.6	(0.6)	0.3	0.3
(Loss)/profit before tax	<u>(46.3)</u>	<u>35.3</u>	<u>(13.2)</u>	<u>(24.2)</u>
Income tax credit	9.2	4.7	8.6	22.5
(Loss)/profit for the period	<u>(37.1)</u>	<u>40.0</u>	<u>(4.6)</u>	<u>(1.7)</u>
Capital expenditure	19.4	22.2	5.6	47.2
Depreciation and amortisation charges	20.0	26.6	12.3	58.9

3. Segment Reporting (cont'd)**BY BUSINESS (in \$ million) (cont'd)**

	<u>Food Solutions</u>	<u>Gateway Services</u>	<u>Others</u>	<u>Total</u>
Financial year ended 31 March 2023				
Revenue (external)	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)
Share of results of associates/joint ventures, net of tax	6.6	38.8	–	45.4
Gain on disposal of property, plant and equipment	13.0	–	–	13.0
Impairment loss for an associate	–	(0.2)	(1.5)	(1.7)
Gain on disposal of associate	1.9	–	–	1.9
Other non-operating income/(expense)	0.3	(1.7)	(44.3)	(45.7)
(Loss)/profit before tax	<u>(13.0)</u>	<u>29.4</u>	<u>(60.2)</u>	<u>(43.8)</u>
Income tax credit	1.1	1.7	2.4	5.2
(Loss)/profit for the year	<u>(11.9)</u>	<u>31.1</u>	<u>(57.8)</u>	<u>(38.6)</u>
Capital expenditure	67.4	45.9	10.9	124.2
Depreciation and amortisation charges	<u>39.9</u>	<u>117.0</u>	<u>18.9</u>	<u>175.8</u>
Financial year ended 31 March 2022				
Revenue (external)	640.9	532.5	3.4	1,176.8
Operating (loss)/profit	(44.1)	6.7	(5.2)	(42.6)
Net finance expense	(3.8)	(3.7)	(6.3)	(13.8)
Share of results of associates/joint ventures, net of tax	(15.5)	32.6	–	17.1
Impairment loss on property, plant and equipment, net of grants	(16.6)	–	–	(16.6)
Gain on deemed disposal of associate	–	28.9	–	28.9
Other non-operating income/(expense)	0.3	(1.1)	0.7	(0.1)
(Loss)/profit before tax	<u>(79.7)</u>	<u>63.4</u>	<u>(10.8)</u>	<u>(27.1)</u>
Income tax credit	17.9	7.5	6.0	31.4
(Loss)/profit for the year	<u>(61.8)</u>	<u>70.9</u>	<u>(4.8)</u>	<u>4.3</u>
Capital expenditure	31.1	37.1	11.0	79.2
Depreciation and amortisation charges	<u>43.5</u>	<u>56.0</u>	<u>20.2</u>	<u>119.7</u>

3. Segment Reporting (cont'd)

BY BUSINESS (in \$ million) (cont'd)

	<u>Food Solutions</u>	<u>Gateway Services</u>	<u>Others</u>	<u>Total</u>
As at 31 March 2023				
Segment assets	429.2	339.3	1,978.0	2,746.5
Property, plant & equipment and 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	<u>1,159.3</u>	<u>1,376.8</u>	<u>2,137.6</u>	<u>4,673.7</u>
Current liabilities	264.4	260.6	63.1	588.1
Long-term liabilities	134.5	144.3	1,185.4	1,464.2
Tax liabilities	18.1	53.6	34.9	106.6
Total liabilities	<u>417.0</u>	<u>458.5</u>	<u>1,283.4</u>	<u>2,158.9</u>
As at 31 March 2022				
Segment assets	479.0	426.1	420.2	1,325.3
Property, plant & equipment and right-of-use assets	308.8	480.6	113.0	902.4
Associates/joint ventures	158.3	295.7	–	454.0
Deferred tax assets	43.1	14.1	0.2	57.4
Intangible assets	208.4	319.8	25.0	553.2
Total assets	<u>1,197.6</u>	<u>1,536.3</u>	<u>558.4</u>	<u>3,292.3</u>
Current liabilities	301.9	256.1	54.5	612.5
Long-term liabilities	115.1	166.6	455.9	737.6
Tax liabilities	18.9	53.0	36.6	108.5
Total liabilities	<u>435.9</u>	<u>475.7</u>	<u>547.0</u>	<u>1,458.6</u>

BY GEOGRAPHICAL LOCATION (in \$ million)

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:

	GROUP			
	<u>2nd Half</u>		<u>Full Year</u>	
	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>
Singapore	766.0	516.6	1,408.7	1,005.6
Japan	50.2	40.4	88.0	77.5
Others	137.6	50.3	261.6	93.7
Total revenue	<u>953.8</u>	<u>607.3</u>	<u>1,758.3</u>	<u>1,176.8</u>

3. Segment Reporting (cont'd)**BY GEOGRAPHICAL LOCATION (in \$ million) (cont'd)**

	<u>Singapore</u>	<u>Japan</u>	<u>Others</u>	<u>Total</u>
As at 31 March 2023				
Segment assets	2,658.5	35.0	53.0	2,746.5
Property, plant & equipment and right-of-use assets	379.5	106.3	414.4	900.2
Associates/joint ventures	24.2	1.7	418.4	444.3
Deferred tax assets	9.3	30.0	16.3	55.6
Intangible assets	183.3	16.5	327.3	527.1
Total assets	<u>3,254.8</u>	<u>189.5</u>	<u>1,229.4</u>	<u>4,673.7</u>
Capital expenditure	<u>42.0</u>	<u>1.0</u>	<u>81.2</u>	<u>124.2</u>
As at 31 March 2022				
Segment assets	1,047.8	33.8	243.7	1,325.3
Property, plant & equipment and right-of-use assets	392.5	124.7	385.2	902.4
Associates/joint ventures	28.1	1.5	424.4	454.0
Deferred tax assets	15.3	30.0	12.1	57.4
Intangible assets	174.4	18.9	359.9	553.2
Total assets	<u>1,658.1</u>	<u>208.9</u>	<u>1,425.3</u>	<u>3,292.3</u>
Capital expenditure	<u>41.0</u>	<u>1.6</u>	<u>36.6</u>	<u>79.2</u>

4. Income Tax (Expense)/Credit (in \$ million)

	Group			
	2nd Half		Full Year	
	2022-23	2021-22	2022-23	2021-22
Current income tax:				
Provision for the period/year	(7.9)	(12.0)	(11.0)	(10.8)
Over provision in respect of prior period/years	4.7	6.6	6.7	6.8
	<u>(3.2)</u>	<u>(5.4)</u>	<u>(4.3)</u>	<u>(4.0)</u>
Deferred income tax:				
Movement in temporary differences	0.8	27.9	9.5	35.4
Income tax (expense)/credit for the period/year	<u>(2.4)</u>	<u>22.5</u>	<u>5.2</u>	<u>31.4</u>

5. Earnings/(Loss) Per Share

	Group			
	2nd Half		Full Year	
	2022-23	2021-22	2022-23	2021-22
Profit/(loss) attributable to owners of the company (in \$ million)	6.0	7.2	(26.5)	20.4
Weighted average number of ordinary shares in issue used for computing basic earnings per share (in million)	1,221.3	1,165.0	1,192.6	1,164.0
Adjustment for RSP and PSP (in million)	4.7	4.2	4.0	4.4
Weighted average number of ordinary shares in issue used for computing diluted earnings per share (in million)	1,226.0	1,169.2	1,196.6	1,168.4
Earnings/(loss) per share (cents)				
Basic	0.5	0.6	(2.2)	1.8
Diluted	0.5	0.6	(2.2)	1.7

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

6. Net Asset Value Per Share

	Group		Company	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Net asset value per share (cents)	156.9	142.8	171.8	150.0

7. Related Party Transaction

For the year ended 31 March 2023, the Group has made \$707.6 million (2022: \$345.3 million) of sales and \$40.4 million (2022: \$33.2 million) of purchases with related parties of the Group.

8. Property, Plant and Equipment

During the year ended 31 March 2023, the Group acquired assets amounting to \$107.7 million (31 March 2022: \$62.6 million) and disposed off assets amounting to \$12.4 million (31 March 2022: \$6.3 million). There was no acquisition of subsidiary during the year ended 31 March 2023 and hence no additional assets from acquisition of subsidiary (31 March 2022: \$106.3 million).

9. Step-up acquisition of Asia Airfreight Terminal Co. Ltd (\$ million)

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

The Company has subsequently concluded the purchase price allocation review and adjusted the provisional goodwill and net assets acquired at the acquisition date to reflect new information obtained based on facts and circumstances that existed as of the acquisition date. The fair value of the identifiable assets and liabilities as at 31 March 2022 were:

	Amount as at 31 March 2022		
	Provisional amount previously reported	Fair value adjustments	Final amount
Property, plant and equipment	88.6	–	88.6
Right-of-use assets	132.8	–	132.8
Intangible assets	93.1	18.4	111.5
Trade and other receivables	22.7	–	22.7
Other current assets	2.5	–	2.5
Cash and bank balances	159.8	–	159.8
	<u>499.5</u>	<u>18.4</u>	<u>517.9</u>
Other non-current liabilities	(125.6)	–	(125.6)
Trade and other payables	(49.4)	–	(49.4)
Other current liabilities	(20.5)	–	(20.5)
Deferred tax liabilities	(15.4)	(3.0)	(18.4)
	<u>(210.9)</u>	<u>(3.0)</u>	<u>(213.9)</u>
Total net identifiable assets at fair value	<u>288.6</u>	<u>15.4</u>	<u>304.0</u>
Consideration transferred	58.8	–	58.8
Fair value of existing 49% stake	175.8	–	175.8
Non-controlling interest measured at the non-controlling interest’s proportionate share	99.9	5.3	105.2
Less: Goodwill arising from acquisition	(45.9)	10.1	(35.8)
	<u>288.6</u>	<u>15.4</u>	<u>304.0</u>

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

10. Aggregate Amount of Group's Borrowings and Debt Securities (\$ million)

	31.03.2023		31.03.2022	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
Amount repayable in one year or less, or on demand	53.8	0.3	54.5	88.6
Amount repayable after one year	290.8	1,133.5	285.7	409.1

Details of any collateral

Included in secured borrowings are current lease liabilities of \$41.1 million and non-current lease liabilities of \$290.8 million which are secured over the right-of-use assets of \$321.0 million as well as property, plant and equipment and other assets belonging to a subsidiary in the Group.

11. Share Capital, Treasury Shares and Share-based Compensation ReserveShare Capital

	Number of ordinary shares	
	<u>Issued Shares Capital</u>	<u>Treasury Shares</u>
As at 1 April 2022	1,124,056,275	1,968,405
Treasury shares transferred pursuant to share plans	326,200	(1,770,100)
Rights issue	363,111,486	–
As at 31 March 2023	<u>1,487,493,961</u>	<u>198,305</u>

As at 31 March 2023, the Company has an issued share capital of 1,487,493,961 ordinary shares (31 March 2022: 1,124,056,275 ordinary shares) of which 198,305 (31 March 2022: 1,968,405) were held by the Company as treasury shares.

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 cost of \$784.3 million by issuing 363,111,486 rights shares. The proceeds were used to fund the acquisition of Worldwide Flight Services ("WFS").

Treasury Shares

During the year ended 31 March 2023, 1,770,100 (31 March 2022: 2,394,550) treasury shares were reissued pursuant to the share-based compensation plans of which 1,593,600 (31 March 2022: 2,089,850) were reissued for the Restricted Share Plan, and 176,500 (31 March 2022: 304,700) were reissued for the Performance Share Plan.

11. Share Capital, Treasury Shares and Share-based Compensation Reserve (cont'd)Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

Management employees may qualify for two share-based incentive plans, the RSP and PSP, 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.

For grants in FY2019-20 to FY2022-23

The RSP award is subject to the achievement of the pre-determined target over a one-year period and has an equal vesting over a three-year period. The number of restricted shares awarded is based on individual and corporate performance. PSP has a performance period of three years. The number of performance shares awarded is based on individual and corporate performance and the final performance shares awarded could range between 0% and 150% of the initial grant, subject to achievement of the pre-determined targets.

As at 31 March 2023, the number of shares outstanding under the Company's RSP and PSP were 2,065,700 and 1,053,800 (31 March 2022: 1,448,600 and 1,417,500) respectively.

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

RSP

Date of grant	Balance at 1.4.2022 / Date of grant	Number of Restricted Shares			Balance at 31.03.2023
		Vested	Forfeited	Adjustments	
24.06.2019	1,200	(1,200)	–	–	–
20.08.2020	261,400	(260,300)	(1,100)	–	–
25.06.2021	1,186,000	(640,800)	(68,000)	–	477,200
24.06.2022	2,701,900	(930,500)	(182,900)	–	1,588,500
10.08.2022	87,000	(87,000)	–	–	–
	4,237,500	(1,919,800)	(252,000)	–	2,065,700

PSP

Date of grant	Balance at 1.4.2022 / Date of grant	Number of Performance Shares			Balance at 31.03.2023
		Vested	Forfeited	Adjustments #	
01.08.2019	280,000	(176,500)	–	(103,500)	–
20.08.2020	647,500	–	(185,000)	–	462,500
02.08.2021	490,000	–	(145,000)	–	345,000
24.06.2022	296,300	–	(50,000)	–	246,300
	1,713,800	(176,500)	(380,000)	(103,500)	1,053,800

Adjustments due to the performance factor at the end of the performance period.

12. Fair Value Management (in \$ million)

12.1 Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. 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:

<u>GROUP</u>	<u>Amortised costs</u>	<u>FVOCI</u>	<u>FVTPL</u>	<u>Other financial liabilities</u>	<u>Total</u>
31 March 2023					
Assets					
Long-term investments	7.9	0.3	6.1	–	14.3
Trade and other receivables	481.0	–	–	–	481.0
Amount due from associates/ joint ventures	2.0	–	–	–	2.0
Cash and cash equivalents	374.4	–	–	–	374.4
	<u>865.3</u>	<u>0.3</u>	<u>6.1</u>	<u>–</u>	<u>871.7</u>
Non-financial assets					<u>3,802.0</u>
Total assets					<u><u>4,673.7</u></u>
Liabilities					
Amount due to associates/ joint ventures	–	–	–	11.6	11.6
Notes and borrowings	–	–	–	1,146.5	1,146.5
Lease liabilities	–	–	–	331.9	331.9
Trade and other payables	–	–	–	554.5	554.5
	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,044.5</u>	<u>2,044.5</u>
Non-financial liabilities					<u>114.4</u>
Total liabilities					<u><u>2,158.9</u></u>
31 March 2022					
Assets					
Long-term investments	8.2	0.3	6.1	–	14.6
Trade and other receivables	387.8	–	–	–	387.8
Amount due from associates/ joint ventures	2.3	–	–	–	2.3
Cash and cash equivalents	786.0	–	–	–	786.0
	<u>1,184.3</u>	<u>0.3</u>	<u>6.1</u>	<u>–</u>	<u>1,190.7</u>
Non-financial assets					<u>2,101.6</u>
Total assets					<u><u>3,292.3</u></u>
Liabilities					
Amount due to associates/joint ventures	–	–	–	11.4	11.4
Term loans	–	–	–	210.8	210.8
Note payable	–	–	–	300.0	300.0
Lease liabilities	–	–	–	327.1	327.1
Trade and other payables	–	–	–	477.0	477.0
	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,326.3</u>	<u>1,326.3</u>
Non-financial liabilities					<u>132.3</u>
Total liabilities					<u><u>1,458.6</u></u>

12. Fair Value Management (in \$ million) (cont'd)

12.2 Fair Value

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 associate/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.

13. Subsequent Events

Acquisition of Worldwide Flight Services

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

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

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

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

13. Subsequent Events (cont'd)

Loan Facilities for Early Redemption of Senior Secured Notes

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

**Other Information required by Listing Rule Appendix 7.2
For full year ended 31 March 2023**

1. Audit

The condensed consolidated statement of financial position of SATS Ltd. and its subsidiaries as at 31 March 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second half and full year ended and certain explanatory notes have not been audited or reviewed.

2. Auditors' Report

Not applicable.

3. Review of Group Performance

A breakdown of Group's revenue and profit after tax for the first half year and second half year.

		GROUP			
		2022-23 \$ million	2021-22 \$ million	Variance %	
(a)	Revenue reported for first half year	804.5	569.5	+	41.3
(b)	(Loss)/Profit after tax before deducting non-controlling interest reported for first half year	(40.6)	6.0	-	n.m.
(c)	Revenue reported for second half year	953.8	607.3	+	57.1
(d)	Profit/(Loss) after tax before deducting non-controlling interest reported for second half year	2.0	(1.7)	+	n.m.

Second Half FY2022-23

Group revenue rose \$346.5 million or 57.1%, to \$953.8 million, from increased business volume. Food Solutions revenue increased by 41.2%, or \$136.1 million, to \$466.7 million driven by travel recovery whilst Gateway Services revenue grew 76.8%, or \$211.4 million, to \$486.6 million over the same period last year due to increased flights handled and cargo revenue contribution from AAT. The consolidation of AAT, a subsidiary of the Group from March 2022, contributed \$57.1 million to revenue of Gateway Services.

Group expenditure increased \$305.6 million or 46.7%, to \$959.5 million. Staff costs increased \$157.9 million due to lower government grants and the higher level of manpower required to handle increased business volume. Raw material costs, licence fees, company premises and utilities expenses grew in tandem with higher business volumes for both Food Solutions and Gateway business. Depreciation and amortisation increased \$32.9 million mainly due to the consolidation of AAT for the period. Other costs increased \$30.1 million due to higher fuel costs and maintenance expenses as well as lower government grants. Excluding the consolidation of AAT, Group expenditure would have recorded a lower increase of \$232.9 million.

Operating loss recorded was \$5.7 million, an improvement of \$40.9 million from an operating loss of \$46.6 million in the same period last year.

Share of results from associates/joint ventures was \$11.6 million higher, improving from a profit of \$16.2 million in the prior period to profit of \$27.8 million in the current period. The improved performance in associates and joint ventures of the Group was due to travel recovery.

Other non-operating loss (net) of \$16.6 million was related to one-off merger and acquisition expenses incurred during the period offset by gain from disposal of property, plant and equipment.

Group net profit attributable to owners of the Company ("PATMI") recorded a net profit of \$6.0 million, a decrease of \$1.2 million or 16.7% from net profit of \$7.2 million in the same period last year. Excluding government reliefs, Group PATMI would have been a loss of \$26.0 million for the period compared to a loss of \$46.6 million last year.

Full Year FY2022-23

Group revenue grew \$581.5 million, or 49.4% year-on-year, to \$1,758.3 million, with growth in both Food Solutions and Gateway Services driven by travel recovery and higher cargo revenue from AAT consolidation. Food Solutions revenue increased 35.6%, or \$228.4 million, to \$869.3 million while Gateway Services revenue grew 66.9%, or \$356.0 million, to \$888.5 million for the full year over the same period last year.

Group expenditure increased \$586.9 million or 48.1% year-on-year at \$1,806.3 million arising from increased business activities as well as the consolidation of AAT. Lower government grants and stepped-up hiring in support of higher levels of activity in passenger operations and meal production led to a rise in staff costs of \$341.2 million. Raw materials costs, licence fees, company premises and utilities expenses grew in tandem with the higher business volumes. Depreciation and amortisation increased \$56.1 million mainly due to the consolidation of AAT for the full financial year. Other costs rose \$74.0 million due to higher fuel costs and maintenance expenses as well as lower government grants. Excluding the consolidation of AAT, Group expenditure would have recorded a lower increase of \$446.9 million.

Operating loss for the Group increased \$5.4 million or 12.7%, from \$42.6 million last year to \$48.0 million in the current financial year.

Share of results from associates/joint ventures improved \$28.3 million from a profit of \$17.1 million to a profit of \$45.4 million as both Gateway and Food associates and joint ventures registered better performance due to aviation recovery.

Other non-operating loss (net) of \$32.5 million was mainly due to one-off merger and acquisition expenses incurred offset by gain from disposal of property, plant and equipment.

Group net profit attributable to owners of the Company ("PATMI") was a net loss of \$26.5 million, a \$46.9 million decrease from a net profit of \$20.4 million last year. Excluding government reliefs, Group PATMI would have been a loss of \$77.6 million for the year compared to a loss of \$112.2 million last year.

GROUP FINANCIAL POSITION REVIEW

Total equity of the Group increased \$681.1 million to \$2,514.8 million as at 31 March 2023. The higher equity was mainly due to an increase in share capital arising from rights issue during the year.

Non-current assets decreased \$45.4 million mainly due to lower property, plant and equipment as a result of disposal and lower intangible assets due to amortisation and foreign currency translation difference. The lower investment in associates was mainly due to dividend received and foreign currency translation difference during the year.

Current assets increased \$1,426.8 million mainly due to deposit with notary pending payment for the WFS acquisition as well as higher trade and other receivables.

Current liabilities decreased \$24.2 million mainly from repayment of term loans offset by higher trade and other payables.

Non-current liabilities increased \$724.5 million due to a three-year term loan of EUR 500 million (approximately S\$723.5 million) to fund the acquisition of WFS.

GROUP CASH FLOWS REVIEW

Net cash from operating activities was higher as compared to prior year mainly due to improved working capital.

Net cash used in investing activities was higher attributable to higher capital expenditure and deposit with notary pending payment for the WFS acquisition.

Net cash from financing activities was an inflow for the current year attributed to EUR 500 million term loan for WFS acquisition and proceeds from rights issue.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

OUTLOOK

Our aviation business is expected to grow as travel continues to recover across the regions. However, the macroeconomic outlook remains uncertain. Monetary tightening is expected to further impact consumer and business spending while the ongoing geopolitical and trade tensions continue to disrupt global supply chains.

SATS is focused on advancing its strategy of strengthening its Singapore core while expanding overseas. The acquisition of WFS enhances SATS' competitive advantage and resilience in cargo handling to better weather headwinds through new customer acquisitions and a larger share of the specialised air cargo handling business. Tapping on the growth of the ready-to-eat market in Asia, SATS has opened a new central kitchen in Tianjin and is also in the midst of building the largest central kitchen in

Bengaluru to produce ready-to-eat meals for airlines, institutions and foodservice customers.

With our expanded network, we will be able to offer our customers more value-added products and services from end-to-end to enhance their supply chains.

With effect from 1Q FY24, SATS will be consolidating WFS' financial information into SATS Group's financial results.

6 Dividends

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date Payable

Not applicable.

(d) Closure of books

Not applicable.

7 If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.

The Board of Directors believe that it would be prudent not to pay a final dividend for FY2022-23 as the Company is still not profitable without government grant and relief. This will allow the Company to conserve cash to fund its operational and working capital requirements as well as to reduce leverage as soon as practicable.

8 Interested Person Transactions

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

<u>Name of interested person</u>	<u>Nature of Relationship</u>	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)	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	\$'000
Transactions for the Sale of Goods and Services			
Krisshop Pte.Ltd	An associate of the Company's Controlling Shareholder	–	4,255
Singapore Airlines Limited	An associate of the Company's Controlling Shareholder	–	1,358
ST Engineering Aerospace Company Pte Ltd.	An associate of the Company's Controlling Shareholder	–	594
SIA Engineering Company Limited	An associate of the Company's Controlling Shareholder	–	13,272
SGIPF Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	211
		–	19,690
Transactions for the Purchase of Goods and Services			
City Energy Pte Ltd	An associate of the Company's Controlling Shareholder	–	18,200
GRID Communications Pte Ltd	An associate of the Company's Controlling Shareholder	–	2,816
S & I Systems Pte Ltd	An associate of the Company's Controlling Shareholder	–	822
Gategroup Trading Hong Kong Limited	An associate of the Company's Controlling Shareholder	–	580

<u>Name of interested person</u>	<u>Nature of Relationship</u>	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)	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	\$'000
SIA Engineering Company Ltd	An associate of the Company's Controlling Shareholder	–	653
Singapore Telecommunications Limited	An associate of the Company's Controlling Shareholder	–	1,891
SMRT Trains Ltd.	An associate of the Company's Controlling Shareholder	–	400
Sygnia Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	281
Stellar Lifestyle Pte. Ltd.	An associate of the Company's Controlling Shareholder	950	–
Powergas Limited	An associate of the Company's Controlling Shareholder	206	–
		1,156	25,643
Joint Venture			
Stellar Experience	An associate of the Company's Controlling Shareholder	7,416	–
		7,416	–

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.

9 Confirmation that the Issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

10 Report of persons occupying managerial positions who are related to a director, chief executive officer or substantial shareholder.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or in any of its principal subsidiaries is a relative of a director, the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ian Chye
Company Secretary
29 May 2023
Singapore

Singapore Company Registration No: 197201770G