



UNAUDITED RESULTS FOR HALF YEAR ENDED 30 SEPTEMBER 2020

- 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.

CONSOLIDATED INCOME STATEMENT

For the half year ended 30 September 2020 (in \$ million)

	GROUP	
	1st Half	
	2020-21	2019-20
Revenue	440.5	962.5
Expenditure		
Staff costs	(186.0)	(464.9)
Cost of raw materials	(124.9)	(143.9)
Licence fees	(8.0)	(44.5)
Depreciation and amortisation charges	(66.8)	(54.5)
Company premise and utilities expenses	(36.6)	(46.8)
Other costs	(54.2)	(86.1)
	(476.5)	(840.7)
Operating (loss)/profit	(36.0)	121.8
Interest on borrowings	(10.9)	(2.9)
Interest income	3.3	2.5
Share of results of associates/joint ventures, net of tax	(44.2)	28.3
Other non-operating loss, net	(31.6)	(0.4)
(Loss)/Profit before tax	(119.4)	149.3
Income tax credit/(expense)	25.0	(28.4)
(Loss)/Profit for the period	(94.4)	120.9
(Loss)/Profit attributable to:		
Owners of the Company	(76.9)	115.4
Non-controlling interests	(17.5)	5.5
	(94.4)	120.9
Core PATMI (\$'M) ⁽¹⁾	(45.3)	115.4
EBITDA (\$'M) ⁽²⁾	(13.4)	204.6
Return on Equity (%) ⁽³⁾	n.m.	7.0

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

	1st Half	
	2020-21	2019-20
(i) Impairment loss on investment in an associate and long-term investment	(31.6)	—

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 1HFY21 and 1HFY20 would be \$30.8M and \$176.3M 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).
- n.m. – not meaningful*

**Notes - Profit for the period is arrived at after crediting/(charging) the following items
(in \$ million):**

	GROUP	
	1st Half	
	2020-21	2019-20
Foreign exchange (loss)/gain, net	(1.1)	0.9
Allowance for doubtful debts	(7.7)	(0.1)
Write-off for stock obsolescence, net	(0.3)	(0.1)
Gain/(loss) on disposal of property, plant and equipment	0.2	(0.4)
Impairment loss on property, plant and equipment	(0.2)	–
Over/(under) provision of taxation in respect of prior years	0.6	(0.5)
Government grants	152.1	3.2
Impairment loss on investment in an associate and long-term investment	(31.6)	–

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 September 2020 (in \$ million)

	GROUP	
	1st Half	
	2020-21	2019-20
(Loss)/Profit for the period	(94.4)	120.9
Other comprehensive income		
<u>Items that will not be reclassified to profit or loss:</u>		
Actuarial (loss)/gain on defined benefit plan	(0.2)	0.4
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation differences	(2.1)	10.0
Other comprehensive income for the period, net of tax	(2.3)	10.4
Total comprehensive income for the period	<u>(96.7)</u>	<u>131.3</u>
Total comprehensive income attributable to:		
Owners of the Company	(78.3)	124.3
Non-controlling interests	(18.4)	7.0
Total comprehensive income for the period	<u>(96.7)</u>	<u>131.3</u>

1(b)(i) 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.

STATEMENTS OF FINANCIAL POSITION
As at 30 September 2020 (in \$ million)

	GROUP		COMPANY	
	30.9.2020	31.3.2020	30.9.2020	31.3.2020
Equity attributable to owners of the Company				
Share capital	367.9	367.9	367.9	367.9
Treasury shares	(21.2)	(26.0)	(21.2)	(26.0)
Share-based compensation reserve	7.3	9.5	7.3	9.5
Statutory reserve	13.5	12.1	–	–
Foreign currency translation reserve	(148.7)	(147.5)	–	–
Revenue reserve	1,347.5	1,426.0	1,344.5	1,307.3
Other reserves*	(24.5)	(24.5)	(25.6)	(25.6)
	1,541.8	1,617.5	1,672.9	1,633.1
Non-controlling interests	166.2	188.0	–	–
Total equity	1,708.0	1,805.5	1,672.9	1,633.1
Non-current assets				
Property, plant and equipment	571.6	602.3	17.5	16.9
Right-of-use assets	201.8	206.0	65.3	67.0
Investment properties	0.8	1.0	187.8	201.0
Intangible assets	427.1	423.6	13.5	7.2
Investment in subsidiaries	–	–	778.1	775.2
Investment in associates	544.4	617.8	340.7	340.7
Investment in joint ventures	64.1	71.2	12.0	12.0
Long-term investments	14.5	27.7	6.1	6.1
Loan to subsidiaries	–	–	378.4	380.1
Deferred tax assets	27.4	13.7	–	–
Other non-current assets	13.7	15.0	–	–
	1,865.4	1,978.3	1,799.4	1,806.2
Current assets				
Trade and other receivables	289.6	386.0	117.7	96.9
Prepayments and deposits	23.9	23.0	3.9	1.5
Amounts due from associates/joint ventures	3.8	2.8	3.5	2.4
Inventories	170.7	70.5	0.4	0.4
Cash and short-term deposits	818.5	549.2	660.1	375.4
	1,306.5	1,031.5	785.6	476.6
Current liabilities				
Trade and other payables	377.7	373.4	150.6	68.1
Amounts due to associates/joint ventures	10.4	10.4	–	–
Income tax payable	34.0	46.5	15.3	10.4
Term loans	126.8	112.5	94.7	167.5
Lease liabilities	22.6	19.4	3.9	3.0
	571.5	562.2	264.5	249.0
Net current assets	735.0	469.3	521.1	227.6
Non-current liabilities				
Deferred tax liabilities	87.1	90.7	26.0	26.0
Term loans	559.4	302.4	551.1	302.4
Lease liabilities	186.9	190.2	62.5	63.6
Other payables	59.0	58.8	8.0	8.7
	892.4	642.1	647.6	400.7
Net assets	1,708.0	1,805.5	1,672.9	1,633.1

* Other Reserves consist of Gain/(Loss) on Reissuance of Treasury Shares and Capital Reserve.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

(In \$ million)

Amount repayable in one year or less, or on demand

As at 30.09.2020		As at 31.03.2020	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
29.4	120.0	25.8	106.1

Amount repayable after one year

As at 30.09.2020		As at 31.03. 2020	
<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
186.9	559.4	190.2	302.4

Details of any collateral

Included in secured borrowings are (i) current lease liabilities of \$22.6 million and non-current lease liabilities of \$186.9 million which are secured over the right-of-use assets of \$201.8 million; and (ii) short term loans of \$6.8 million which are secured over the property, plant and equipment of a subsidiary.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 September 2020 (in \$ million)

	GROUP	
	1st Half	
	2020-21	2019-20
<u>Cash flows from operating activities</u>		
(Loss)/Profit before tax	(119.4)	149.3
Adjustments for:		
Interest expense, net	7.6	0.4
Depreciation and amortisation charges	66.8	54.5
Unrealised foreign exchange loss/(gain)	1.1	(0.5)
Share of results of associates/joint ventures, net of tax	44.2	(28.3)
(Gain)/loss on disposal of property, plant and equipment	(0.2)	0.4
Impairment loss on property, plant and equipment	0.2	–
Impairment loss on investment in an associate and long-term investment	31.6	–
Share-based payment expense	4.2	6.8
Provision for doubtful debts	7.7	0.1
Other non-cash items	(0.2)	–
Operating cash flows before working capital changes	43.6	182.7
Changes in working capital:		
Decrease/(increase) in receivables	111.3	(30.3)
Increase in government grants receivables	(25.1)	–
Decrease/(increase) in prepayments and deposits	0.5	(9.0)
(Increase)/decrease in inventories	(100.5)	0.5
Decrease in payables	(19.3)	(22.3)
Increase in deferred grants income	24.9	–
Decrease in amounts due from associates/joint ventures, net	(0.9)	(3.3)
Cash generated from operations	34.5	118.3
Interest paid to third parties	(10.9)	(2.9)
Income taxes paid	(4.6)	(28.9)
Net cash from operating activities	19.0	86.5
<u>Cash flows from investing activities</u>		
Capital expenditure	(25.8)	(29.9)
Dividends from associates/joint ventures	15.7	24.4
Proceeds from disposal of property, plant and equipment	1.2	0.1
Proceeds from disposal of interest in an associates/subsidiary	0.3	3.4
Investment in subsidiaries, net of cash acquired	–	(29.3)
Investment in associates/joint ventures	–	(23.0)
Long-term investments	–	(6.1)
Interest received from deposits	3.4	1.8
Net cash used in investing activities	(5.2)	(58.6)
<u>Cash flows from financing activities</u>		
Repayments of term loans	(206.4)	–
Repayments of lease liabilities	(11.3)	(6.5)
Proceeds from borrowings	478.5	–
Dividends paid	–	(145.3)
Purchase of treasury shares	(1.6)	–
Dividends paid to non-controlling interest	(3.4)	(3.4)
Net cash from/(used in) financing activities	255.8	(155.2)
Net increase/(decrease) in cash and cash equivalents	269.6	(127.3)
Effect of exchange rate changes	(0.3)	1.0
Cash and cash equivalents at beginning of financial period	549.2	349.9
Cash and cash equivalents at end of financial period	818.5	223.6

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.

STATEMENTS OF CHANGES IN EQUITY

For the half year ended 30 September 2020 (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		
Balance at 1 April 2020	367.9	(26.0)	9.5	12.1	(147.5)	1,426.0	1.1	(25.6)	188.0	1,805.5
Loss for the period	–	–	–	–	–	(76.9)	–	–	(17.5)	(94.4)
Other comprehensive income for the period	–	–	–	–	(1.2)	(0.2)	–	–	(0.9)	(2.3)
Total comprehensive income for the period	–	–	–	–	(1.2)	(77.1)	–	–	(18.4)	(96.7)
Contributions by and distributions to owners										
Share-based payment	–	–	4.2	–	–	–	–	–	–	4.2
Treasury shares reissued pursuant to equity compensation plans	–	6.4	(6.4)	–	–	–	–	–	–	–
Purchase of treasury shares	–	(1.6)	–	–	–	–	–	–	–	(1.6)
Total contributions by and distributions to owners	–	4.8	(2.2)	–	–	–	–	–	–	2.6
Others										
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(3.4)	(3.4)
Transfer to statutory reserve	–	–	–	1.4	–	(1.4)	–	–	–	–
Balance at 30 September 2020	367.9	(21.2)	7.3	13.5	(148.7)	1,347.5	1.1	(25.6)	166.2	1,708.0

* 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.

STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the half year ended 30 September 2020 (in \$ million)

GROUP	Attributable to owners of the Company								Total	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			
Balance at 1 April 2019	367.9	(43.0)	10.1	10.9	(150.7)	1,473.1	1.1	(20.1)	1,649.3	167.8	1,817.1
Profit for the period	–	–	–	–	–	115.4	–	–	115.4	5.5	120.9
Other comprehensive income for the period	–	–	–	–	8.5	0.4	–	–	8.9	1.5	10.4
Total comprehensive income for the period	–	–	–	–	8.5	115.8	–	–	124.3	7.0	131.3
Contributions by and distributions to owners											
Share-based payment	–	–	6.8	–	–	–	–	–	6.8	–	6.8
Treasury shares reissued pursuant to equity compensation plans	–	17.0	(11.3)	–	–	–	–	(5.5)	0.2	–	0.2
Dividends, net	–	–	–	–	–	(145.3)	–	–	(145.3)	–	(145.3)
Total contributions by and distributions to owners	–	17.0	(4.5)	–	–	(145.3)	–	(5.5)	(138.3)	–	(138.3)
Others											
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(3.4)	(3.4)
Disposal of subsidiary	–	–	–	–	–	–	–	–	–	(1.1)	(1.1)
Transfer to statutory reserve	–	–	–	1.2	–	(1.2)	–	–	–	–	–
Balance at 30 September 2019	367.9	(26.0)	5.6	12.1	(142.2)	1,442.4	1.1	(25.6)	1,635.3	170.3	1,805.6

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

STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the half year ended 30 September 2020 (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 2020	367.9	(26.0)	9.5	1,307.3	(25.6)	1,633.1
Profit for the period	–	–	–	37.2	–	37.2
Total comprehensive income for the period	–	–	–	37.2	–	37.2
<u>Contributions by and distributions to owners</u>						
Share-based payment	–	–	4.2	–	–	4.2
Treasury shares reissued pursuant to equity compensation plans	–	6.4	(6.4)	–	–	–
Purchase of treasury shares	–	(1.6)	–	–	–	(1.6)
Total contributions by and distributions to owners	–	4.8	(2.2)	–	–	2.6
Balance at 30 September 2020	367.9	(21.2)	7.3	1,344.5	(25.6)	1,672.9
Balance at 1 April 2019	367.9	(43.0)	10.1	1,208.3	(20.1)	1,523.2
Profit for the period	–	–	–	50.1	–	50.1
Total comprehensive income for the period	–	–	–	50.1	–	50.1
<u>Contributions by and distributions to owners</u>						
Share-based payment	–	–	6.8	–	–	6.8
Treasury shares reissued pursuant to equity compensation plans	–	17.0	(11.3)	–	(5.5)	0.2
Dividends, net	–	–	–	(145.3)	–	(145.3)
Total contributions by and distributions to owners	–	17.0	(4.5)	(145.3)	(5.5)	(138.3)
Balance at 30 September 2019	367.9	(26.0)	5.6	1, 113.1	(25.6)	1,435.0

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued share excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY

(i) Employee Share Option Plan

As at 1 April 2020 and 30 September 2020, there was no outstanding share option (30 September 2019: NA).

(ii) 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 on 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 FY2016-17 to FY2020-21

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.

SHARE CAPITAL AND OPTIONS ON SHARES IN THE COMPANY (cont'd)

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

As at 30 September 2020, the number of shares outstanding under the Company's RSP and PSP were 1,335,000 and 2,727,500 (30 September 2019: 1,743,600 and 2,882,000) respectively.

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

RSP

Date of grant	Balance at 1.4.2020 / Date of grant	<u>Number of Restricted Shares</u>			Balance at 30.9.2020
		Vested	Forfeited	Adjustments	
01.08.2017	476,200	(472,400)	(3,800)	–	–
24.06.2019	1,242,100	(626,600)	(6,000)	–	609,500
20.08.2020	1,102,500	(377,000)	–	–	725,500
	2,820,800	(1,476,000)	(9,800)	–	1,335,000

PSP

Date of grant	Balance at 1.4.2020 / Date of grant	<u>Number of Performance Shares</u>			Balance at 30.9.2020
		Vested	Forfeited	Adjustments	
01.08.2017	1,437,000	–	(1,437,000)	–	–
14.12.2018	745,000	–	–	–	745,000
01.08.2019	700,000	–	–	–	700,000
20.08.2020	1,282,500	–	–	–	1,282,500
	4,164,500	–	(1,437,000)	–	2,727,500

- (iii) Number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding are as follows:

Group and Company	As at 30 September 2020	As at 30 September 2019
Number of treasury shares	4,926,355	5,867,355
Number of subsidiary holdings	—	—
Aggregate number of treasury shares and subsidiary holdings	4,926,355	5,867,355
Total number of shares outstanding*	1,119,129,920	1,118,188,920
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding	0.4%	0.5%

*Total number of issued shares excluding treasury shares and subsidiary holdings.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 September 2020	As at 31 March 2020
1,119,129,920	1,118,188,920

- 1(d)(iv) A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Group and Company Treasury Shares	Number of Shares		\$ million	
	2020-21	2019-20	2020-21	2019-20
Balance at 1 April	5,867,355	9,697,355	26.0	43.0
Purchases during the period	535,000	—	1.6	—
Issuance of treasury shares pursuant to equity compensation plans	(1,476,000)	(3,830,000)	(6.4)	(17.0)
Balance at 30 September	4,926,355	5,867,355	21.2	26.0

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Nil.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- 3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

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 those of the audited financial statements for the financial year ended 31 March 2020 except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) that are mandatory for the financial year beginning on or after 1 April 2020. The adoption of these SFRS(I) has no significant impact on the financial statements.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no changes to the accounting policies.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	1st Half	
	2020-21	2019-20
Earnings per share based on net profit attributable to owners of the Company (cents):		
(i) Basic *	(6.9)	10.3
(ii) Diluted **	(6.9)	10.3

* Based on weighted average number of fully paid shares in issue.

** Based on 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 (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	GROUP		COMPANY	
	As at 30.9.2020	As at 31.3.2020	As at 30.9.2020	As at 31.3.2020
Net asset value per ordinary share (cents)	137.8	144.7	149.5	146.0

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

GROUP FINANCIAL PERFORMANCE

First Half FY2020-21

Group revenue declined \$522 million or 54.2% in the first half year to \$440.5 million. The Group's performance has been significantly impacted by the sharp drop in demand for air travel since the start of the COVID-19 outbreak. Driven by sharp decline in aviation volumes, revenue from Food Solutions decreased \$236.9 million or 46.2% to \$275.5 million while Gateway Services' revenue decreased \$289.8 million or 64.5% to \$159.4 million. This was mitigated by revenue contributions from newly consolidated entities, namely Country Foods Pte. Ltd. ("CFPL"), Nanjing Weizhou Airline Food Corp., Ltd. ("NWA") and Monty's Bakehouse UK Limited ("MBUK"), amounting to \$86.8 million.

Group expenditure decreased \$364.2 million or 43.3% year-on-year at \$476.5 million taking into account government reliefs, lower aviation volumes as well as continuing efforts to reshape the cost base of the Group. Staff costs decreased by \$278.9 million mainly due to government reliefs and reduction in workforce required to manage the lower aviation volumes. The reduction in cost of raw materials due to the decrease in aviation volume was partly offset by the increase from consolidation of CFPL and NWA. Licence fees dropped \$36.5 million in line with lower aviation revenue. Depreciation and amortisation rose \$12.3 million mainly due to new investments, systems acquired last year and increase in ROU assets. Group-wide cost containment measures have resulted in a decrease in company premises and utilities expenses. Other costs were also lower, partly offset by the higher provision for doubtful debts of \$7.7 million made in the current period. Excluding the consolidation of CFPL, NWA and MBUK, Group expenditure would have reduced by a further \$88.2 million.

Operating profit for the Group decreased \$157.8 million or 129.6% to operating loss of \$36 million, compared with operating profit of \$121.8 million from the same period last year.

Share of results from associates/joint ventures decreased \$72.5 million or 256.2% from profit to loss of \$44.2 million. The COVID-19 pandemic has impacted the performance of all the aviation associates and joint ventures of the group significantly.

Other non-operating loss of \$31.6 million relates mainly to impairment made for investment in an associate and long-term investment due to the COVID-19 pandemic.

To-date, since the onset of the COVID-19 pandemic in the Asian region, the Group has taken an aggregate credit losses and impairment charges of approximately \$90 million, of which, approximately \$51 million was accounted for in the last financial year and \$39 million was charged in the current financial period. The Group will continue to monitor the recoverability of all investments and receivables and will make further impairment as and when required.

Group net profit attributable to owners of the Company declined \$192.3 million or 166.6% to net loss of \$76.9 million year-on-year. Excluding the impairment charge made in the current financial period, core PATMI was reduced to net loss of \$45.3 million.

Revenue by business segment is summarised below:

Revenue					
	1H FY2020-21	%	1H FY2019-20	%	Growth
	\$m		\$m		%
Food Solutions	275.5	63	512.4	53	(46.2)
Gateway Services	159.4	37	449.2	47	(64.5)
Others	5.6	—	0.9	—	NM
	440.5	100	962.5	100	(54.2)

GROUP FINANCIAL POSITION REVIEW

Total equity of the Group fell \$97.5 million to \$1,708 million as at 30 September 2020, compared to 31 March 2020. The lower equity was largely attributable to loss for the period.

Non-current assets decreased \$112.9 million due to lower property, plant and equipment, investment in associates, investment in joint ventures and long-term investment. Property, plant and equipment was lower mainly due to depreciation for the period. The lower investment in associates and joint ventures were mainly due to lower share of results from associates/joint ventures and impairments recorded. A total impairment charge of \$31.6 million was made to investment in an associate and long-term investment in the current period.

Current assets of the Group increased \$275 million largely due to higher cash and short-term deposits and inventories, partly offset by lower trade and other receivables. The higher cash and short-term deposits was attributed to drawdown of credit facilities. Higher inventory balance was mainly due to the increased business activities of CFPL. Lower trade and other receivables was mainly due to lower revenue from reduced business volumes.

Current liabilities rose \$9.3 million mainly due to higher term loans partly offset by lower income tax payables.

Non-current liabilities of the Group increased \$250.3 million mainly due to higher term loans from the issuance of \$100 million Notes due in 2025 pursuant to the \$500 million multicurrency Debt Issuance Programme.

GROUP CASH FLOWS REVIEW

Net cash from operating activities for 1HFY2020-21 was lower primarily due to the operating loss for the six months, as compared to operating profit in the corresponding period last year.

Net cash used in investing activities was lower due to the absence of investment in subsidiaries and investment in associates/joint ventures, partly offset by lower dividends from associates/joint ventures.

Net cash from/(used in) financing activities amounted to a cash inflows of \$255.8 million compared to net cash outflows of \$155.2 million last year. The swing in the net cash from financing activities was largely due to drawdown of credit facilities (including Notes) of \$478.5 million as well as no dividend payment made to

shareholders during the first six months of the financial year. This was partly offset by repayment of term loans of \$206.4 million in the current period.

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

Not applicable.

10 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

The outlook remains challenging with flight and passenger volumes still heavily constrained by pandemic-related travel restrictions, although demand for air cargo continues to be more resilient. Flight, passenger and cargo volumes have all climbed from their lows in April 2020, but the trajectory of the recovery remains uncertain with COVID-19 resurgent in some countries.

SATS is committed to supporting the safe reopening of air and cruise travel, by helping to implement thorough passenger health testing protocols, innovative, low-touch meal services, and rigorous in-cabin cleaning. SATS, with its leading cold chain capabilities and protocols, is also ready to assist airlines, shippers and forwarders in the distribution of COVID-19 vaccines across its network of certified pharma-handling cold chain operations, once the vaccines become available.

SATS continues to grow in new customer segments such as foodservice, fast-casual restaurants and supermarkets with a wider range of products and services.

11 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? Yes.

Name of Dividend	Interim
Type of Dividend	Cash
Dividend amount per Share	6 cents
Tax rate	Tax exempt (one-tier)

(c) Date Payable

Not Applicable.

(d) Closure of books

Not Applicable.

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

In light of the significant uncertainties in our operating environment, the Board of Directors believe that it would be prudent not to pay an interim dividend for FY2021. This will allow the company to preserve more jobs and capabilities to support our customers as aviation volumes resume, and to pursue new opportunities outside of aviation.

13 Interested Person Transactions

13.1 The interested person transactions entered into during the half year ended 30 September 2020 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			
Singapore Airlines Limited	An associate of the Company's Controlling Shareholder	–	176
Scoot TigerAir Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	433,700
SG IPF Pte. Ltd.	An associate of the Company's Controlling Shareholder	–	204
ST Synthesis Pte Ltd	An associate of the Company's Controlling Shareholder	–	800
		<u>–</u>	<u>434,880</u>
Transactions for the Purchase of Goods and Services			
Singapore Telecommunications Limited	An associate of the Company's Controlling Shareholder	–	37,465
Singapore Airlines Limited	An associate of the Company's Controlling Shareholder	–	135
ST Synthesis Pte Ltd	An associate of the Company's Controlling Shareholder	–	1,370
		<u>–</u>	<u>38,970</u>

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

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

14 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.

BY ORDER OF THE BOARD

Prema d/o K Subramaniam
Company Secretary
12 November 2020
Singapore

Singapore Company Registration No: 197201770G

CONFIRMATION BY THE BOARD

We, Euleen Goh Yiu Kiang and Alexander Charles Hungate, being two of the directors of SATS Ltd. (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year ended 30 September 2020 financial results to be false or misleading in any material respect.

On behalf of the Board of Directors,

EULEEN GOH YIU KIANG
Chairman

ALEXANDER CHARLES HUNGATE
Executive Director / President and
Chief Executive Officer

Singapore, 12 November 2020