

Corporate Governance Report

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).

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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	Appointed on 28 February 2024
Chan Lai Fung	
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:

Name of Director	Direct interest		Deemed interest	
	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.

Directors' Statement

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 performance 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

Date of grant	Number of restricted shares				Balance at 31 March 2024
	Balance at 01 April 2023/ Date of grant	Vested	Forfeited	Adjustment	
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

Date of grant	Number of performance shares				Balance at 31 March 2024
	Balance at 01 April 2023/ Date of grant	Vested	Forfeited	Adjustment*	
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
<p>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").</p> <p>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.</p>	<p>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.</p> <p>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.</p>

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
<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p>

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:		
<u>Items that will not be reclassified to profit or loss:</u>		
Actuarial loss on defined benefit plan	(3.2)	(0.2)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>		
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		COMPANY	
		31 Mar 2024 \$ million	31 Mar 2023 \$ million	31 Mar 2024 \$ million	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		COMPANY	
		31 Mar 2024 \$ million	31 Mar 2023 \$ million	31 Mar 2024 \$ million	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

	Attributable to owners of the Company												
	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
				Share-Based Compensation Reserve \$ million	Revenue Reserve \$ million								
GROUP													
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

	Attributable to owners of the Company												
	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
				Share-Based Compensation Reserve \$ million	Revenue Reserve \$ million								
GROUP													
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 Policies* 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 <i>Classification of Liabilities as Current or Non-current</i>	1 April 2024
Amendments to SFRS(I) 16 <i>Lease Liability in a Sale and Leaseback</i>	1 April 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 17 <i>Supplier Finance Arrangements</i>	1 April 2024
Amendments to SFRS(I) 1-21 <i>Lack of Exchangeability</i>	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.

Notes to the Financial Statements

31 March 2024

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.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.5 Subsidiaries, associates and joint ventures (cont'd)

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.

Notes to the Financial Statements

31 March 2024

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.

Notes to the Financial Statements

31 March 2024

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.

Notes to the Financial Statements

31 March 2024

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.

Notes to the Financial Statements

31 March 2024

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.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.9 Impairment of non-financial and financial assets (cont'd)

(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.

Notes to the Financial Statements

31 March 2024

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.

Notes to the Financial Statements

31 March 2024

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.

2. MATERIAL ACCOUNTING POLICIES (cont'd)

2.12 Taxes (cont'd)

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.

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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 committed 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.

Notes to the Financial Statements

31 March 2024

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)

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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)

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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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

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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

Date of grant	Number of restricted shares				Balance at 31 March 2024
	Balance at 01 April 2023/ Date of grant	Vested	Forfeited	Adjustment [#]	
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

Date of grant	Number of performance shares				Balance at 31 March 2024
	Balance at 01 April 2023/ Date of grant	Vested	Forfeited	Adjustment [#]	
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.

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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

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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

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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

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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

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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.

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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 %	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 (Netherlands)	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	–

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20. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of key subsidiaries	Principal activities and country of incorporation	Equity held by the Group	
		31 Mar 2024 %	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	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	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	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.

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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.

Notes to the Financial Statements

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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 maintain 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:

Name of companies	Principal activities (Place of business)	Equity held by the Group	
		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)

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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:

Name of companies	Principal activities (Place of business)	Equity held by the Group	
		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)

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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.

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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.

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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

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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

Series	Year of issuance	Fixed interest rate (%)	Date payable	GROUP		COMPANY	
				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.

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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.

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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.

GROUP	Effect on profit/(loss) before tax	
	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.

Notes to the Financial Statements

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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
<u>Effect of an increase in 50 basis points in market interest rates</u>				
Profit/(loss) before tax	(5.0)	1.0	(4.1)	(4.6)
<u>Effect of a decrease in 50 basis points in market interest rates</u>				
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

Notes to the Financial Statements

31 March 2024

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 collateralised 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.

Notes to the Financial Statements

31 March 2024

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)

31. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (cont'd)

Financial Risk Management (cont'd)

Liquidity Risk (cont'd)

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

Notes to the Financial Statements

31 March 2024

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:

GROUP	Carrying value					Fair value				
	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)

COMPANY	Carrying value					Fair value				
	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				

Notes to the Financial Statements

31 March 2024

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
<u>Directors</u>		
Directors' fees – paid by the Company	1.2	1.3
<u>Key executives</u>		
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.

Notes to the Financial Statements

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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

Notes to the Financial Statements

31 March 2024

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.

Notes to the Financial Statements

31 March 2024

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 Raket 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.

Additional Information

required by the Singapore Exchange Securities Trading Limited (“SGX-ST”)

1. INTERESTED PERSON TRANSACTIONS

The interested person transactions entered into during the financial year ended 31 March 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